

PERSONAL EXPLANATION

Mr. EVANS. Mr. Speaker, I was regrettably detained this afternoon when the votes were taken on H.R. 4199. On the Motion to Recommend, I would have voted "yea." On final Passage, I would have voted "nay."

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 303. Concurrent resolution providing for a conditional adjournment of the House of Representatives and a conditional adjournment or recess of the Senate.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1824

Ms. KILPATRICK. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1824.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RURAL LOCAL BROADCAST SIGNAL ACT

Mr. GOODLATTE. Mr. Speaker, pursuant to the order of the House of today, I call up the bill (H.R. 3615) to amend the Rural Electrification Act of 1936 to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006, and ask for its immediate consideration.

The Clerk read the title of the bill.

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute considered as adopted to H.R. 3615 under the order of the House of earlier today be an amendment in the nature of a substitute that I have now placed at the desk which shall be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. STENHOLM. Mr. Speaker, reserving the right to object, I understand that this version of the substitute has been changed in section 4 from the version of the substitute approved by the Committee on Rules.

Mr. Speaker, can the gentleman from Virginia (Mr. GOODLATTE) please reassure me that cooperative lenders, such as CoBank and the National Rural Utilities Cooperative Finance Corporation, are still eligible to participate in the loan program under this bill?

Mr. GOODLATTE. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Virginia.

Mr. GOODLATTE. Mr. Speaker, the gentleman is correct. CFC is specifi-

cally eligible to participate under the terms of the revised bill, and CoBank is an eligible participant for loans made in accordance with the regulations of the Federal Farm Credit Administration and its governing statute.

Mr. STENHOLM. Mr. Speaker, reclaiming my time, I thank the gentleman very much for that assurance.

Mr. Speaker, I am pleased that these cooperative lenders are eligible to participate. Their demonstrated expertise, capacity, capital strength, and experience in providing financing to rural utility bars should help to make this program a success.

Mr. Speaker, I withdraw my reservation of objection.

□ 1645

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Virginia?

Mr. LARGENT. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Pursuant to the order of the House of today, the bill is considered read for amendment.

The text of H.R. 3615 is as follows:

H.R. 3615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Local Broadcast Signal Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) In 1936, most of the rural United States did not have access to electrical service enjoyed by the rest of the United States, and this lack of electrical service inhibited economic development in the rural areas of the United States.

(2) In response to this lack of service, Congress enacted the Rural Electrification Act of 1936 (also known as the Norris-Rayburn Rural Electrification Act) which established the Rural Electric Administration to ensure that all Americans have access to electrical service and to promote rural development.

(3) The program under the Rural Electrification Act of 1936 has successfully brought electricity to all parts of the rural United States and has stimulated rural development throughout the United States.

(4) In 1949, most of the rural United States did not have access to telephone service enjoyed by the rest of the United States, and this lack of electrical service inhibited economic development in the rural areas of the United States.

(5) In response to this lack of service, Congress amended the Rural Electrification Act of 1936 to assure that the rural United States has access to telecommunications services, including telephone services, distance learning, and telemedicine in order to promote rural development.

(6) The programs under these amendments have successfully brought telecommunications to all parts of the United States and has stimulated rural development throughout the United States.

(7) Public Law 93-32 amended the Rural Electrification Act of 1936 to establish a revolving fund for insured and guaranteed loans.

(8) The reorganization of the Department of Agriculture by Public Law 103-354 created

the Rural Utilities Service (RUS) within the Department of Agriculture and assigned it the responsibility for administering programs of federally-guaranteed loans.

(9) The Rural Utilities Service now manages a portfolio of federally-guaranteed loans in excess of \$42,000,000,000.

(10) The Rural Utilities Service has granted loans for the purpose of telecommunications services to more than 800 borrowers, including telephone and electricity cooperatives, in all States of the United States.

(11) Local television coverage is vitally important for rural development efforts.

(12) Local television programming broadcasts crop reports, local news, weather reports, public service announcements, and advertisements by local businesses, all of which are important for rural development.

(13) In today's age of modern communications, rural communities often receive the majority of their information from satellite platforms.

(14) The rest of the United States, including most of the rural United States, is not able to receive local television signals via satellite.

(15) Without access to local television signals, the development of the rural United States is greatly inhibited.

(16) Just as important public purposes were served by bringing electricity to the rural United States and then by bringing telephone service to the rural United States, so the United States would be served by ensuring that the rural United States can receive local television signals via satellite.

(17) It is in the public interest that the Rural Utilities Service of the Department of Agriculture utilize existing and new loan guarantee programs to promote rural development by ensuring that the rural United States has access to the signals of local television stations by multichannel video providers.

SEC. 3. RURAL LOCAL TELEVISION SIGNALS.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

"TITLE VI—RURAL LOCAL TELEVISION SIGNALS

"SEC. 501. DEFINITIONS.

"In this title:

"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Rural Utilities Service.

"(2) AFFILIATE.—The term 'affiliate' means any person or entity that controls, or is controlled by, or is under common control with, another person or entity.

"(3) BORROWER.—The term 'borrower' means any person or entity receiving a loan guarantee under this title.

"(4) COST.—

"(A) IN GENERAL.—The term 'cost' means the estimated long-term cost to the Government of a loan guarantee or modification thereof, calculated on a net present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays.

"(B) LOAN GUARANTEES.—For purposes of this paragraph the cost of a loan guarantee—

"(i) shall be the net present value, at the time when the guaranteed loan is disbursed, of the estimated cash flows of—

"(I) payments by the Government to cover defaults and delinquencies, interest subsidies, or other payments; and

"(II) payments to the Government, including origination and other fees, penalties, and recoveries; and

"(ii) shall include the effects of changes in loan terms resulting from the exercise by the guaranteed lender of an option included in

the loan guarantee contract, or by the borrower of an option included in the guaranteed loan contract.

“(C) COST OF MODIFICATION.—The cost of the modification shall be the difference between the current estimate of the net present value of the remaining cash flows under the terms of a loan guarantee contract, and the current estimate of the net present value of the remaining cash flows under the terms of the contract, as modified.

“(D) DISCOUNT RATE.—In estimating net present value, the discount rate shall be the average interest rate on marketable Treasury securities of similar maturity to the cash flows of the guarantee for which the estimate is being made.

“(E) FISCAL YEAR ASSUMPTIONS.—When funds of a loan guarantee under this title are obligated, the estimated cost shall be based on the current assumptions, adjusted to incorporate the terms of the loan contract, for the fiscal year in which the funds are obligated.

“(5) CURRENT.—The term ‘current’ has the meaning given that term in section 250(c)(9) of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(6) DESIGNATED MARKET AREA.—The term ‘designated market area’ has the meaning given that term in section 122(j) of title 17, United States Code.

“(7) LOAN GUARANTEE.—The term ‘loan guarantee’ means any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any debt obligation of a non-Federal borrower to the Federal Financing Bank or a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

“(8) MODIFICATION.—The term ‘modification’ means any Government action that alters the estimated cost of an outstanding loan guarantee (or loan guarantee commitment) from the current estimate of cash flows, including the sale of loan assets, with or without recourse, and the purchase of guaranteed loans.

“(9) COMMON TERMS.—Except as provided in paragraphs (1) through (9), any term used in this title that is defined in the Communications Act of 1934 (47 U.S.C. 151 et seq.) has the meaning given the term in that Act.

“SEC. 502. LOAN GUARANTEES.

“(a) PURPOSE.—The purpose of this title is to enable the Administrator to provide such loan guarantees as are necessary to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006.

“(b) ASSISTANCE TO BORROWERS.—Subject to the appropriations limitation under subsection (c)(2), the Administrator may provide loan guarantees to borrowers to finance projects to provide local television broadcast signals by providers of multichannel video services including direct broadcast satellite licensees and licensees of multichannel multipoint distribution systems, to areas that do not receive local television broadcast signals over commercial for-profit direct-to-home satellite distribution systems. A borrower that receives a loan guarantee under this title may not transfer any part of the proceeds of the monies from the loans guaranteed under this program to an affiliate of the borrower.

“(c) UNDERWRITING CRITERIA; PREREQUISITES.—

“(1) IN GENERAL.—The Administrator shall administer the underwriting criteria developed under subsection (f)(1) to determine which loans are eligible for a guarantee under this title.

“(2) AUTHORITY TO MAKE LOAN GUARANTEES.—The Administrator shall be authorized to guarantee loans under this title only to the extent provided for in advance by appropriations Acts.

“(3) PREREQUISITES.—In addition to meeting the underwriting criteria under paragraph (1), a loan is not eligible for a loan guarantee under this title unless—

“(A) the loan is made to finance the acquisition, improvement, enhancement, construction, deployment, launch, or rehabilitation of the means by which local television broadcast signals will be delivered to an area not receiving such signals over commercial for-profit direct-to-home satellite distribution systems;

“(B) the proceeds of the loan will not be used for operating expenses;

“(C) the total amount of all such loans may not exceed in the aggregate \$1,250,000,000;

“(D) the loan does not exceed \$100,000,000, except that 1 loan under this title may exceed \$100,000,000, but shall not exceed \$625,000,000;

“(E) the loan bears interest and penalties which, in the Administrator's judgment, are not unreasonable, taking into consideration the prevailing interest rates and customary fees incurred under similar obligations in the private capital market; and

“(F) the Administrator determines that taking into account the practices of the private capital markets with respect to the financing of similar projects, the security of the loan is adequate.

“(4) ADDITIONAL CRITERIA.—In addition to the requirements of paragraphs (1), (2), and (3), a loan for which a guarantee is sought under this title shall meet any additional criteria promulgated under subsection (f)(1).

“(d) ADDITIONAL REQUIREMENTS.—The Administrator may not make a loan guarantee under this title unless—

“(1) repayment of the obligation is required to be made within a term of the lesser of—

“(A) 25 years from the date of its execution; or

“(B) the useful life of the primary assets used in the delivery of relevant signals;

“(2) the Administrator has been given the assurances and documentation necessary to review and approve the guaranteed loans; and

“(3) the Administrator makes a determination in writing that—

“(A) the applicant has given reasonable assurances that the assets, facilities, or equipment will be utilized economically and efficiently;

“(B) necessary and sufficient regulatory approvals, spectrum rights, and delivery permissions have been received by project participants to assure the project's ability to repay obligations under this title; and

“(C) repayment of the obligation can reasonably be expected, including the use of an appropriate combination of credit risk premiums and collateral offered by the applicant to protect the Federal Government.

“(e) APPROVAL OF NTIA REQUIRED.—

“(1) IN GENERAL.—The Administrator may not issue a loan guarantee under this title unless the National Telecommunications and Information Administration consults with the Administrator and certifies that the issuance of the loan guarantee is consistent with subsection (a).

“(2) CERTIFICATION.—The Administrator shall provide the appropriate information on each loan guarantee application recommended by the Administrator to the National Telecommunications and Information Administration for certification. The National Telecommunications and Information Administration shall make the determina-

tion required under this subsection within 90 days, without regard to the provision of chapter 5 of title 5, United States Code, and sections 10 and 11 of the Federal Advisory Committee Act (5 U.S.C. App.).

“(f) REQUIREMENTS.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of this title, the Administrator shall consult with an independent public accounting firm to develop underwriting criteria relating to the issuance of loan guarantees, appropriate collateral and cash flow levels for the types of loan guarantees that might be issued under this title, and such other matters as the Administrator determines appropriate.

“(2) AUTHORITY OF ADMINISTRATOR.—In lieu of or in combination with appropriations of budget authority to cover the costs of loan guarantees as required under section 504(b)(1) of the Federal Credit Reform Act of 1990, the Administrator may accept on behalf of an applicant for assistance under this title a commitment from a non-Federal source to fund in whole or in part the credit risk premiums with respect to the applicant's loan. The aggregate of appropriations of budget authority and credit risk premiums described in this paragraph with respect to a loan guarantee may not be less than the cost of that loan guarantee.

“(3) CREDIT RISK PREMIUM AMOUNT.—The Administrator shall determine the amount required for credit risk premiums under this subsection on the basis of—

“(A) the circumstances of the applicant, including the amount of collateral offered;

“(B) the proposed schedule of loan disbursements;

“(C) the borrower's business plans for providing service;

“(D) financial commitment from the broadcast signal provider; and

“(E) any other factors the Administrator considers relevant.

“(4) PAYMENT OF PREMIUMS.—Credit risk premiums under this subsection shall be paid to an account established in the Treasury which shall accrue interest and such interest shall be retained by the account, subject to paragraph (5).

“(5) COHORTS OF LOANS.—In order to maintain sufficient balances of credit risk premiums to adequately protect the Federal Government from risk of default, while minimizing the length of time the Government retains possession of those balances, the Administrator in consultation with the Office of Management and Budget shall establish cohorts of loans. When all obligations attached to a cohort of loans have been satisfied, credit risk premiums paid for the cohort, and interest accrued thereon, which were not used to mitigate losses shall be returned to the original source on a pro rata basis.

“(g) CONDITIONS OF ASSISTANCE.—A borrower shall agree to such terms and conditions as are sufficient, in the judgment of the Administrator to ensure that, as long as any principal or interest is due and payable on such obligation, the borrower—

“(1) will maintain assets, equipment, facilities, and operations on a continuing basis;

“(2) will not make any discretionary dividend payments that reduce the ability to repay obligations incurred under this section; and

“(3) will remain sufficiently capitalized.

“(h) LIEN ON INTERESTS IN ASSETS.—Upon providing a loan guarantee to a borrower under this title, the Administrator shall have liens which shall be superior to all other liens on assets of the borrower equal to the unpaid balance of the loan subject to such guarantee.

"(i) PERFECTED INTEREST.—The Administrator and the lender shall have a perfected security interest in those assets of the borrower fully sufficient to protect the Administrator and the lender.

"(j) INSURANCE POLICIES.—In accordance with practices of private lenders, as determined by the Administrator, the borrower shall obtain, at its expense, insurance sufficient to protect the interests of the Federal Government, as determined by the Administrator.

"(k) AUTHORIZATION OF APPROPRIATIONS.—For the additional costs of the loans guaranteed under this title, including the cost of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661(a)), there are authorized to be appropriated for fiscal years 2000 through 2006, such amounts as may be necessary. In addition there are authorized to be appropriated such sums as may be necessary to administer this title. Any amounts appropriated under this subsection shall remain available until expended.

"SEC. 503. ADMINISTRATION OF LOAN GUARANTEES.

"(a) APPLICATIONS.—The Administrator shall prescribe the form and contents for an application for a loan guarantee under section 502.

"(b) ASSIGNMENT OF LOAN GUARANTEES.—The holder of a loan guaranteed under this title may assign the loan guarantee in whole or in part, subject to such requirements as the Administrator may prescribe.

"(c) MODIFICATIONS.—The Administrator may approve the modification of any term or condition of a loan guarantee including the rate of interest, time of payment of interest or principal, or security requirements, if the Administrator finds in writing that—

"(1) the modification is equitable and is in the overall best interests of the United States;

"(2) consent has been obtained from the borrower and the lender;

"(3) the modification is consistent with the objective underwriting criteria developed in consultation with an independent public accounting firm under section 502(f);

"(4) the modification does not adversely affect the Federal Government's interest in the entity's assets or loan collateral;

"(5) the modification does not adversely affect the entity's ability to repay the loan; and

"(6) the National Telecommunications and Information Administration does not object to the modification on the ground that it is inconsistent with the certification under section 502(e).

"(d) PRIORITY MARKETS.—

"(1) IN GENERAL.—To the maximum extent practicable, the Administrator shall give priority to projects which serve the most underserved rural markets, as determined by the Administrator. In making prioritization determinations, the Administrator shall consider prevailing market conditions, feasibility of providing service, population, terrain, and other factors the Administrator determines appropriate.

"(2) PRIORITY RELATING TO CONSUMER COSTS AND SEPARATE TIER OF SIGNALS.—The Administrator shall give priority to projects that—

"(A) offer a separate tier of local broadcast signals; and

"(B) provide lower projected costs to consumers of such separate tier.

"(3) PERFORMANCE SCHEDULES.—Applicants for priority projects under this section shall enter into stipulated performance schedules with the Administrator.

"(4) PENALTY.—The Administrator may assess a borrower a penalty not to exceed 3 times the interest due on the guaranteed loan, if the borrower fails to meet its stipu-

lated performance schedule. The penalty shall be paid to the account established under section 502.

"(5) LIMITATION ON CONSIDERATION OF MOST POPULATED AREAS.—The Administrator shall not provide a loan guarantee for a project that is primarily designed to serve the 40 most populated designated market areas and shall take into consideration the importance of serving rural markets that are not likely to be otherwise offered service under section 122 of title 17, United States Code, except through the loan guarantee program under this title.

"(e) COMPLIANCE.—The Administrator shall enforce compliance by an applicant and any other party to the loan guarantee for whose benefit assistance is intended, with the provisions of this title, regulations issued hereunder, and the terms and conditions of the loan guarantee, including through regular periodic inspections and audits.

"(f) COMMERCIAL VALIDITY.—For purposes of claims by any party other than the Administrator, a loan guarantee or loan guarantee commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of the title, and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder thereof, including the original lender or any other holder, as of the date when the Administrator granted the application therefore, except as to fraud or material misrepresentation by such holder.

"(g) DEFAULTS.—The Administrator shall prescribe regulations governing a default on a loan guaranteed under this title.

"(h) RIGHTS OF THE ADMINISTRATOR.—

"(1) SUBROGATION.—If the Administrator authorizes payment to a holder, or a holder's agent, under subsection (g) in connection with a loan guarantee made under section 502, the Administrator shall be subrogated to all of the rights of the holder with respect to the obligor under the loan.

"(2) DISPOSITION OF PROPERTY.—The Administrator may complete, recondition, reconstruct, renovate, repair, maintain, operate, rent, sell, or otherwise dispose of any property or other interests obtained under this section in a manner that maximizes taxpayer return and is consistent with the public convenience and necessity.

"(i) ACTION AGAINST OBLIGOR.—The Administrator may bring a civil action in an appropriate district court of the United States in the name of the United States or of the holder of the obligation in the event of a default on a loan guaranteed under this title. The holder of a guarantee shall make available to the Administrator all records and evidence necessary to prosecute the civil action. The Administrator may accept property in full or partial satisfaction of any sums owed as a result of default. If the Administrator receives, through the sale or other disposition of such property, an amount greater than the aggregate of—

"(1) the amount paid to the holder of a guarantee under subsection (g); and

"(2) any other cost to the United States of remedying the default, the Administrator shall pay such excess to the obligor.

"(j) BREACH OF CONDITIONS.—The Attorney General shall commence a civil action in a court of appropriate jurisdiction to enjoin any activity which the Administrator finds is in violation of this title, regulations issued hereunder, or any conditions which were duly agreed to, and to secure any other appropriate relief, including relief against any affiliate of the borrower.

"(k) ATTACHMENT.—No attachment or execution may be issued against the Administrator or any property in the control of the

Administrator prior to the entry of final judgment to such effect in any State, Federal, or other court.

"(l) INVESTIGATION CHARGE AND FEES.—

"(1) APPRAISAL FEE.—The Administrator may charge and collect from an applicant a reasonable fee for appraisal for the value of the equipment or facilities for which the loan guarantee is sought, and for making necessary determinations and findings. The fee may not, in the aggregate, be more than one-half of one percent of the principal amount of the obligation. The fee imposed under this paragraph shall be used to offset the administrative costs of the program.

"(2) LOAN ORIGATION FEE.—The Administrator may charge a loan origination fee.

"(m) ANNUAL AUDIT.—The Comptroller General of the United States shall annually audit the administration of this title and report the results of the audit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives.

"(n) INDEMNIFICATION.—An affiliate of the borrower shall indemnify the Government for any losses it incurs as a result of—

"(1) a judgment against the borrower;

"(2) any breach by the borrower of its obligations under the loan guarantee agreement;

"(3) any violation of the provisions of this title by the borrower;

"(4) any penalties incurred by the borrower for any reason, including the violation of the stipulated performance; and

"(5) any other circumstances that the Administrator determines to be appropriate.

"(o) SUNSET.—The Administrator may not approve a loan guarantee under this title after December 31, 2006.

"SEC. 504. RETRANSMISSION OF LOCAL TELEVISION BROADCAST STATIONS.

"A borrower shall be subject to applicable rights, obligations, and limitations of title 17, United States Code. If a local broadcast station requests carriage of its signal and is located in a market not served by a satellite carrier providing service under a statutory license under section 122 of title 17, United States Code, the borrower shall carry the signal of that station without charge and shall be subject to the applicable rights, obligations, and limitations of sections 338, 614, and 615 of the Communications Act of 1934."

The SPEAKER pro tempore. The amendment now at the desk is adopted in lieu of the amendment printed in the bill.

The text of H.R. 3615, as amended, is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Rural Local Broadcast Signal Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Rural television loan guarantee board.
- Sec. 4. Approval of loan guarantees.
- Sec. 5. Administration of loan guarantees.
- Sec. 6. Prohibition on use of funds for spectrum auctions.
- Sec. 7. Prohibition on use of funds by incumbent cable operators.
- Sec. 8. Annual audit.
- Sec. 9. Exemption from must carry requirements.
- Sec. 10. Additional availability of broadcast signals in rural areas.
- Sec. 11. Improved cellular service in rural areas.
- Sec. 12. Technical amendment.
- Sec. 13. Definitions.

Sec. 14. Authorizations of appropriations.

Sec. 15. Sunset.

SEC. 2. PURPOSE.

The purpose of this Act is to facilitate access, on a technologically neutral basis and by December 31, 2006, to signals of local television stations for households located in unserved areas and underserved areas.

SEC. 3. RURAL TELEVISION LOAN GUARANTEE BOARD.

(a) **ESTABLISHMENT.**—There is established the Rural Television Loan Guarantee Board (in this Act referred to as the “Board”).

(b) **MEMBERS.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Board shall consist of the following members:

(A) The Secretary of the Treasury, or the designee of the Secretary.

(B) The Secretary of Agriculture, or the designee of the Secretary.

(C) The Secretary of Commerce, or the designee of the Secretary.

(2) **REQUIREMENT AS TO DESIGNEES.**—An individual may not be designated a member of the Board under paragraph (1) unless the individual is an officer of the United States pursuant to an appointment by the President, by and with the advice and consent of the Senate.

(c) **FUNCTIONS OF THE BOARD.**—

(1) **IN GENERAL.**—The Board shall determine whether or not to approve loan guarantees under this Act. The Board shall make such determinations consistent with the purpose of this Act and in accordance with this subsection and section 4 of this Act.

(2) **CONSULTATION AUTHORIZED.**—

(A) **IN GENERAL.**—In carrying out its functions under this Act, the Board shall consult with such departments and agencies of the Federal Government as the Board considers appropriate, including the Department of Commerce, the Department of Agriculture, the Department of the Treasury, the Department of Justice, the Department of the Interior, the Board of Governors of the Federal Reserve System, the Federal Communications Commission, the Federal Trade Commission, and the National Aeronautics and Space Administration.

(B) **RESPONSE.**—A department or agency consulted by the Board under subparagraph (A) shall provide the Board such expertise and assistance as the Board requires to carry out its functions under this Act.

(3) **APPROVAL BY MAJORITY VOTE.**—The determination of the Board to approve a loan guarantee under this Act shall be by a vote of a majority of the Board.

SEC. 4. APPROVAL OF LOAN GUARANTEES.

(a) **AUTHORITY TO APPROVE LOAN GUARANTEES.**—Subject to the provisions of this section and consistent with the purpose of this Act, the Board may approve loan guarantees under this Act.

(b) **REGULATIONS.**—

(1) **REQUIREMENTS.**—The Administrator (as defined in section 5 of this Act), under the direction of and for approval by the Board, shall prescribe regulations to implement the provisions of this Act and shall do so not later than 120 days after funds authorized to be appropriated under section 15 of this Act have been appropriated in a bill signed into law.

(2) **ELEMENTS.**—The regulations prescribed under paragraph (1) shall—

(A) set forth the form of any application to be submitted to the Board under this Act;

(B) set forth time periods for the review and consideration by the Board of applications to be submitted to the Board under this Act, and for any other action to be taken by the Board with respect to such applications;

(C) provide appropriate safeguards against the evasion of the provisions of this Act;

(D) set forth the circumstances in which an applicant, together with any affiliate of an applicant, shall be treated as an applicant for a loan guarantee under this Act;

(E) include requirements that appropriate parties submit to the Board any documents and assurances that are required for the administration of the provisions of this Act; and

(F) include such other provisions consistent with the purpose of this Act as the Board considers appropriate.

(3) **CONSTRUCTION.**—(A) Nothing in this Act shall be construed to prohibit the Board from requiring, to the extent and under circumstances considered appropriate by the Board, that affiliates of an applicant be subject to certain obligations of the applicant as a condition to the approval or maintenance of a loan guarantee under this Act.

(B) If any provision of this Act or the application of such provision to any person or entity or circumstance is held to be invalid by a court of competent jurisdiction, the remainder of this Act, or the application of such provision to such person or entity or circumstance other than those as to which it is held invalid, shall not be affected thereby.

(c) **AUTHORITY LIMITED BY APPROPRIATIONS ACTS.**—The Board may approve loan guarantees under this Act only to the extent provided for in advance in appropriations Acts.

(d) **REQUIREMENTS AND CRITERIA APPLICABLE TO APPROVAL.**—

(1) **IN GENERAL.**—The Board shall utilize the underwriting criteria developed under subsection (g), and any relevant information provided by the departments and agencies with which the Board consults under section 3, to determine which loans may be eligible for a loan guarantee under this Act.

(2) **PREREQUISITES.**—In addition to meeting the underwriting criteria under paragraph (1), a loan may not be guaranteed under this Act unless—

(A) the loan is made to finance the acquisition, improvement, enhancement, construction, deployment, launch, or rehabilitation of the means by which local television broadcast signals will be delivered principally to an unserved area or an underserved area (or both);

(B) the proceeds of the loan will not be used for operating, advertising, or promotion expenses;

(C) the proposed project, as determined by the National Telecommunications and Information Administration, is not likely to have a substantial adverse impact on competition that outweighs the benefits of improving access to the signals of a local television station in an unserved area or an underserved area (or both), and is commercially viable;

(D) the loan is provided by—

(i) an insured depository institution (as that term is defined in section 3 of the Federal Deposit Insurance Act) that is acceptable to the Board;

(ii) a lender that is acceptable to the Board, and—

(I) has not fewer than one issue of outstanding debt that is related within the highest three rating categories of a nationally recognized statistical rating agency; or

(II) has provided financing to entities with outstanding debt from the Rural Utilities Service and which possess, in the judgment of the Board, the expertise, capacity, and capital strength to provide financing pursuant to this Act; or

(iii) a nonprofit corporation, including the National Rural Utilities Cooperative Finance Corporation, engaged primarily in commercial lending, if the Board determines that such nonprofit corporation has one or more issues of outstanding long-term debt that is rated within the highest 3 rating categories of a nationally recognized statistical

rating organization, and, if the Board determines that the making of the loan by such nonprofit corporation will cause a decline in the debt rating mentioned above, the Board at its discretion may disapprove the loan guarantee on this basis;

(E) the loan (including Other Debt as defined in subsection (f)(2)(B)) is not provided by a lender that is a governmental entity, the Federal Agricultural Mortgage Corporation, any institution supervised by the Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board, or any affiliate of any such entity;

(F) the loan has terms, in the judgment of the Board, that are consistent in material respects with the terms of similar obligations in the private capital market;

(G) repayment of the loan is required to be made within a term of the lesser of—

(i) 25 years from the date of the execution of the loan; or

(ii) the economically useful life, as determined by the Board or in consultation with persons or entities deemed appropriate by the Board, of the primary assets to be used in the delivery of the signals concerned; and

(H) the loan meets any additional criteria developed under subsection (g).

(3) **PROTECTION OF UNITED STATES FINANCIAL INTERESTS.**—The Board may not approve the guarantee of a loan under this Act unless—

(A) the Board has been given documentation, assurances, and access to information, persons, and entities necessary, as determined by the Board, to address issues relevant to the review of the loan by the Board for purposes of this Act; and

(B) the Board makes a determination in writing that—

(i) to the best of its knowledge upon due inquiry, the assets, facilities, or equipment covered by the loan will be utilized economically and efficiently;

(ii) the terms, conditions, security, and schedule and amount of repayments of principal and the payment of interest with respect to the loan protect the financial interests of the United States and are reasonable;

(iii) to the extent possible, the value of collateral provided by an applicant is at least equal to the unpaid balance of the loan amount covered by the loan guarantee (the “Amount” for purposes of this clause); and if the value of collateral provided by an applicant is less than the Amount, the additional required collateral is provided by any affiliate of the applicant; and if the combined value of collateral provided by an applicant and any affiliate is not at least equal to the Amount, the collateral from such affiliate represents all of such affiliate’s assets;

(iv) all necessary and required regulatory and other approvals, spectrum rights, and delivery permissions have been received for the loan, the project under the loan, and the Other Debt, if any, under subsection (f)(2)(B);

(v) the loan would not be available on reasonable terms and conditions without a loan guarantee under this Act; and

(vi) repayment of the loan can reasonably be expected.

(e) **CONSIDERATIONS.**—

(1) **TYPE OF MARKET.**—

(A) **PRIORITY CONSIDERATIONS.**—To the maximum extent practicable, the Board shall give priority in the approval of loan guarantees under this Act in the following order: First, to projects that will serve the greatest number of households in unserved areas and the number of States (including noncontiguous States); and second, to projects that will serve the greatest number of households in underserved areas. In each instance, the Board shall consider the project’s estimated cost per household to be served.

(B) PROHIBITION.—The Board may not approve a loan guarantee under this Act for a project that is designed primarily to serve 1 or more of the 40 most populated designated market areas (as that term is defined in section 122(j) of title 17, United States Code).

(2) OTHER CONSIDERATIONS.—The Board shall consider other factors, which shall include projects that would—

(A) offer a separate tier of local broadcast signals;

(B) provide lower projected costs to consumers of such separate tier; and

(C) enable the delivery of local broadcast signals consistent with the purpose of this Act by a means reasonably compatible with existing systems or devices predominantly in use.

(f) GUARANTEE LIMITS.—

(1) LIMITATION ON AGGREGATE VALUE OF LOANS.—The aggregate value of all loans for which loan guarantees are issued under this Act (including the unguaranteed portion of loans issued under paragraph (2)(A)) and Other Debt under paragraph (2)(B) may not exceed \$1,250,000,000.

(2) GUARANTEE LEVEL.—A loan guarantee issued under this Act—

(A) may not exceed an amount equal to 80 percent of a loan meeting in its entirety the requirements of subsection (d)(2)(A). If only a portion of a loan meets the requirements of that subsection, the Board shall determine that percentage of the loan meeting such requirements (the “applicable portion”) and may issue a loan guarantee in an amount not exceeding 80 percent of the applicable portion; or

(B) may, as to a loan meeting in its entirety the requirements of subsection (d)(2)(A), cover the amount of such loan only if that loan is for an amount not exceeding 80 percent of the total debt financing for the project, and other debt financing (also meeting in its entirety the requirements of subsection (d)(2)(A)) from the same source for a total amount not less than 20 percent of the total debt financing for the project (“Other Debt”) has been approved.

(g) UNDERWRITING CRITERIA.—Within the period provided for under subsection (b)(1), the Board shall, in consultation with the Director of the Office of Management and Budget and an independent public accounting firm, develop underwriting criteria relating to the guarantee of loans that are consistent with the purpose of this Act, including appropriate collateral and cash flow levels for loans guaranteed under this Act, and such other matters as the Board considers appropriate.

(h) CREDIT RISK PREMIUMS.—

(1) ESTABLISHMENT AND ACCEPTANCE.—The Board may establish and approve the acceptance of credit risk premiums with respect to a loan guarantee under this Act in order to cover the cost, as determined under section 504(b)(1) of the Federal Credit Reform Act of 1990, of the loan guarantee. To the extent that appropriations of budget authority are insufficient to cover the cost, as so determined, of a loan guarantee under this Act, credit risk premiums shall be accepted from a non-Federal source under this subsection on behalf of the applicant for the loan guarantee.

(2) CREDIT RISK PREMIUM AMOUNT.—

(A) IN GENERAL.—The Board shall determine the amount of any credit risk premium to be accepted with respect to a loan guarantee under this Act on the basis of—

(i) the financial and economic circumstances of the applicant for the loan guarantee, including the amount of collateral offered;

(ii) the proposed schedule of loan disbursements;

(iii) the business plans of the applicant for providing service;

(iv) any financial commitment from a broadcast signal provider; and

(v) the concurrence of the Director of the Office of Management and Budget as to the amount of the credit risk premium.

(B) PROPORTIONALITY.—To the extent that appropriations of budget authority are sufficient to cover the cost, as determined under section 504(b)(1) of the Federal Credit Reform Act of 1990, of loan guarantees under this Act, the credit risk premium with respect to each loan guarantee shall be reduced proportionately.

(C) PAYMENT OF PREMIUMS.—Credit risk premiums under this subsection shall be paid to an account (the “Escrow Account”) established in the Treasury which shall accrue interest and such interest shall be retained by the account, subject to subparagraph (D).

(D) DEDUCTIONS FROM ESCROW ACCOUNT.—If a default occurs with respect to any loan guaranteed under this Act and the default is not cured in accordance with the terms of the underlying loan or loan guarantee agreement, the Administrator, in accordance with subsections (h) and (i) of section 5 of this Act, shall liquidate, or shall cause to be liquidated, all assets collateralizing such loan as to which it has a lien or security interest. Any shortfall between the proceeds of the liquidation net of costs and expenses relating to the liquidation, and the guarantee amount paid pursuant to this Act shall be deducted from funds in the Escrow Account and credited to the Administrator for payment of such shortfall. At such time as determined under subsection (d)(2)(G) when all loans guaranteed under this Act have been repaid or otherwise satisfied in accordance with this Act and the regulations promulgated hereunder, remaining funds in the Escrow Account, if any, shall be refunded, on a pro rata basis, to applicants whose loans guaranteed under this Act were not in default, or where any default was cured in accordance with the terms of the underlying loan or loan guarantee agreement.

(i) JUDICIAL REVIEW.—The decision of the Board to approve or disapprove the making of a loan guarantee under this Act shall not be subject to judicial review.

SEC. 5. ADMINISTRATION OF LOAN GUARANTEES.

(a) IN GENERAL.—The Administrator of the Rural Utilities Service (in this Act referred to as the “Administrator”) shall issue and otherwise administer loan guarantees that have been approved by the Board in accordance with sections 3 and 4 of this Act.

(b) SECURITY FOR PROTECTION OF UNITED STATES FINANCIAL INTERESTS.—

(1) TERMS AND CONDITIONS.—An applicant shall agree to such terms and conditions as are satisfactory, in the judgment of the Board, to ensure that, as long as any principal or interest is due and payable on a loan guaranteed under this Act, the applicant—

(A) shall maintain assets, equipment, facilities, and operations on a continuing basis;

(B) shall not make any discretionary dividend payments that impair its ability to repay obligations guaranteed under this Act;

(C) shall remain sufficiently capitalized; and

(D) shall submit to, and cooperate fully with, any audit of the applicant under section 8(a)(2) of this Act.

(2) COLLATERAL.—

(A) EXISTENCE OF ADEQUATE COLLATERAL.—An applicant shall provide the Board such documentation as is necessary, in the judgment of the Board, to provide satisfactory evidence that appropriate and adequate collateral secures a loan guaranteed under this Act.

(B) FORM OF COLLATERAL.—Collateral required by subparagraph (A) shall consist solely of assets of the applicant, any affiliate of the applicant, or both (whichever the Board considers appropriate), including primary assets to be used in the delivery of signals for which the loan is guaranteed.

(C) REVIEW OF VALUATION.—The value of collateral securing a loan guaranteed under this Act may be reviewed by the Board, and may be adjusted downward by the Board if the Board reasonably believes such adjustment is appropriate.

(3) LIEN ON INTERESTS IN ASSETS.—Upon the Board's approval of a loan guarantee under this Act, the Administrator shall have liens on assets securing the loan, which shall be superior to all other liens on such assets, and the value of the assets (based on a determination satisfactory to the Board) subject to the liens shall be at least equal to the unpaid balance of the loan amount covered by the loan guarantee, or that value approved by the Board under section 4(d)(3)(B)(iii) of this Act.

(4) PERFECTED SECURITY INTEREST.—With respect to a loan guaranteed under this Act, the Administrator and the lender shall have a perfected security interest in assets securing the loan that are fully sufficient to protect the financial interests of the United States and the lender.

(5) INSURANCE.—In accordance with practices in the private capital market, as determined by the Board, the applicant for a loan guarantee under this Act shall obtain, at its expense, insurance sufficient to protect the financial interests of the United States, as determined by the Board.

(c) ASSIGNMENT OF LOAN GUARANTEES.—The holder of a loan guarantee under this Act may assign the loan guaranteed under this Act in whole or in part, subject to such requirements as the Board may prescribe.

(d) MODIFICATION.—The Board may approve the modification of any term or condition of a loan guarantee or a loan guaranteed under this Act, including the rate of interest, time of payment of principal or interest, or security requirements only if—

(1) the modification is consistent with the financial interests of the United States;

(2) consent has been obtained from the parties to the loan agreement;

(3) the modification is consistent with the underwriting criteria developed under section 4(g) of this Act;

(4) the modification does not adversely affect the interest of the Federal Government in the assets or collateral of the applicant;

(5) the modification does not adversely affect the ability of the applicant to repay the loan; and

(6) the National Telecommunications and Information Administration has been consulted by the Board regarding the modification.

(e) PERFORMANCE SCHEDULES.—

(1) PERFORMANCE SCHEDULES.—An applicant for a loan guarantee under this Act for a project covered by section 4(e)(1) of this Act shall enter into stipulated performance schedules with the Administrator with respect to the signals to be provided through the project.

(2) PENALTY.—The Administrator may assess against and collect from an applicant described in paragraph (1) a penalty not to exceed 3 times the interest due on the guaranteed loan of the applicant under this Act if the applicant fails to meet its stipulated performance schedule under that paragraph.

(f) COMPLIANCE.—The Administrator, in cooperation with the Board and as the regulations of the Board may provide, shall enforce compliance by an applicant, and any other party to a loan guarantee for whose benefit assistance under this Act is intended, with

the provisions of this Act, any regulations under this Act, and the terms and conditions of the loan guarantee, including through the submittal of such reports and documents as the Board may require in regulations prescribed by the Board and through regular periodic inspections and audits.

(g) **COMMERCIAL VALIDITY.**—A loan guarantee under this Act shall be incontestable—

(1) in the hands of an applicant on whose behalf the loan guarantee is made, unless the applicant engaged in fraud or misrepresentation in securing the loan guarantee; and

(2) as to any person or entity (or their respective successor in interest) who makes or contracts to make a loan to the applicant for the loan guarantee in reliance thereon, unless such person or entity (or respective successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

(h) **DEFAULTS.**—The Board shall prescribe regulations governing defaults on loans guaranteed under this Act, including the administration of the payment of guaranteed amounts upon default.

(i) **RECOVERY OF PAYMENTS.**—

(1) **IN GENERAL.**—The Administrator shall be entitled to recover from an applicant for a loan guarantee under this Act the amount of any payment made to the holder of the guarantee with respect to the loan.

(2) **SUBROGATION.**—Upon making a payment described in paragraph (1), the Administrator shall be subrogated to all rights of the party to whom the payment is made with respect to the guarantee which was the basis for the payment.

(3) **DISPOSITION OF PROPERTY.**—

(A) **SALE OR DISPOSAL.**—The Administrator shall, in an orderly and efficient manner, sell or otherwise dispose of any property or other interests obtained under this Act in a manner that maximizes taxpayer return and is consistent with the financial interests of the United States.

(B) **MAINTENANCE.**—The Administrator shall maintain in a cost-effective and reasonable manner any property or other interests pending sale or disposal of such property or other interests under subparagraph (A).

(j) **ACTION AGAINST OBLIGOR.**—

(1) **AUTHORITY TO BRING CIVIL ACTION.**—The Administrator may bring a civil action in an appropriate district court of the United States in the name of the United States or of the holder of the obligation in the event of a default on a loan guaranteed under this Act. The holder of a loan guarantee shall make available to the Administrator all records and evidence necessary to prosecute the civil action.

(2) **FULLY SATISFYING OBLIGATIONS OWED THE UNITED STATES.**—The Administrator may accept property in satisfaction of any sums owed the United States as a result of a default on a loan guaranteed under this Act, but only to the extent that any cash accepted by the Administrator is not sufficient to satisfy fully the sums owed as a result of the default.

(k) **BREACH OF CONDITIONS.**—The Administrator shall commence a civil action in a court of appropriate jurisdiction to enjoin any activity which the Board finds is in violation of this Act, the regulations under this Act, or any conditions which were duly agreed to, and to secure any other appropriate relief, including relief against any affiliate of the applicant.

(l) **ATTACHMENT.**—No attachment or execution may be issued against the Administrator or any property in the control of the Administrator pursuant to this Act before the entry of a final judgment (as to which all rights of appeal have expired) by a Federal, State, or other court of competent jurisdiction against the Administrator in a proceeding for such action.

(m) **FEES.**—

(1) **APPLICATION FEE.**—The Board shall charge and collect from an applicant for a loan guarantee under this Act a fee to cover the cost of the Board in making necessary determinations and findings with respect to the loan guarantee application under this Act. The amount of the fee shall be reasonable.

(2) **LOAN GUARANTEE ORIGINATION FEE.**—The Board shall charge, and the Administrator may collect, a loan guarantee origination fee with respect to the issuance of a loan guarantee under this Act.

(3) **USE OF FEES COLLECTED.**—Any fee collected under this subsection shall be used to offset administrative costs under this Act, including costs of the Board and of the Administrator.

(n) **REQUIREMENTS RELATING TO AFFILIATES.**—

(1) **INDEMNIFICATION.**—The United States shall be indemnified by any affiliate (acceptable to the Board) of an applicant for a loan guarantee under this Act for any losses that the United States incurs as a result of—

(A) a judgment against the applicant or any of its affiliates;

(B) any breach by the applicant or any of its affiliates of their obligations under the loan guarantee agreement;

(C) any violation of the provisions of this Act, and the regulations prescribed under this Act, by the applicant or any of its affiliates;

(D) any penalties incurred by the applicant or any of its affiliates for any reason, including violation of a stipulated performance schedule under subsection (e); and

(E) any other circumstances that the Board considers appropriate.

(2) **LIMITATION ON TRANSFER OF LOAN PROCEEDS.**—An applicant for a loan guarantee under this Act may not transfer any part of the proceeds of the loan to an affiliate.

(o) **EFFECT OF BANKRUPTCY.**—(1) Notwithstanding any other provision of law, whenever any person or entity is indebted to the United States as a result of any loan guarantee issued under this Act and such person or entity is insolvent or is a debtor in a case under title 11, United States Code, the debts due to the United States shall be satisfied first.

(2) A discharge in bankruptcy under title 11, United States Code, shall not release a person or entity from an obligation to the United States in connection with a loan guarantee under this Act.

SEC. 6. PROHIBITION ON USE OF FUNDS FOR SPECTRUM AUCTIONS.

Notwithstanding any other provision of this Act, no loan guarantee under this Act may be granted or used to provide funds for the acquisition of licenses for the use of spectrum in any competitive bidding under section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)).

SEC. 7. PROHIBITION ON USE OF FUNDS BY INCUMBENT CABLE OPERATORS.

Notwithstanding any other provision of this Act, no loan guarantee under this Act may be granted or used to provide funds for—

(1) the extension of any cable system to any area or areas for which the cable operator of such cable system has a cable franchise, if such franchise obligates the operator to extend such system to such area or areas; or

(2) the upgrading or enhancement of the services provided over any cable system, unless such upgrading or enhancement is principally undertaken to extend services to areas outside of the previously existing franchise area of the cable operator.

SEC. 8. ANNUAL AUDIT.

(a) **REQUIREMENT.**—The Comptroller General of the United States shall conduct on an annual basis an audit of—

(1) the administration of the provisions of this Act; and

(2) the financial position of each applicant who receives a loan guarantee under this Act, including the nature, amount, and purpose of investments made by the applicant.

(b) **REPORT.**—The Comptroller General shall submit to the Congress a report on each audit conducted under subsection (a).

SEC. 9. EXEMPTION FROM MUST CARRY REQUIREMENTS.

A facility of a satellite carrier, cable system, or other multichannel video programming distributor that is financed with a loan guaranteed under this Act and that delivers local broadcast signals in a television market pursuant to the provisions of section 338, 614, or 615 of the Communications Act of 1934 (47 U.S.C. 338, 534, or 535) shall not be required to carry in such market a greater number of local broadcast signals than the number of such signals that is carried by the cable system serving the largest number of subscribers in such market.

SEC. 10. ADDITIONAL AVAILABILITY OF BROADCAST SIGNALS IN RURAL AREAS.

(a) **OPENING OF FILING FOR ADDITIONAL TRANSLATOR AND LOW-POWER STATIONS.**—The Federal Communications Commission shall, in accordance with its regulations, open a filing period window for the acceptance of applications for television translator stations and low-power television stations in rural areas.

(b) **DEADLINES FOR NOTICE.**—The Commission shall announce the filing period window no less than 90 days prior to the commencement of the window.

SEC. 11. IMPROVED CELLULAR SERVICE IN RURAL AREAS.

(a) **REINSTATEMENT OF APPLICANTS AS TENTATIVE SELECTEES.**—

(1) **IN GENERAL.**—Notwithstanding the order of the Federal Communications Commission in the proceeding described in paragraph (3), the Commission shall—

(A) reinstate each applicant as a tentative selectee under the covered rural service area licensing proceeding; and

(B) permit each applicant to amend its application, to the extent necessary to update factual information and to comply with the rules of the Commission, at any time before the Commission's final licensing action in the covered rural service area licensing proceeding.

(2) **EXEMPTION FROM PETITIONS TO DENY.**—For purposes of the amended applications filed pursuant to paragraph (1)(B), the provisions of section 309(d)(1) of the Communications Act of 1934 (47 U.S.C. 309(d)(1)) shall not apply.

(3) **PROCEEDING.**—The proceeding described in this paragraph is the proceeding of the Commission in re Applications of Cellwave Telephone Services L.P., Futurewave General Partners L.P., and Great Western Cellular Partners, 7 FCC Rcd No. 19 (1992).

(b) **CONTINUATION OF LICENSE PROCEEDING; FEE ASSESSMENT.**—

(1) **AWARD OF LICENSES.**—The Commission shall award licenses under the covered rural service area licensing proceeding within 90 days after the date of the enactment of this Act.

(2) **SERVICE REQUIREMENTS.**—The Commission shall provide that, as a condition of an applicant receiving a license pursuant to the covered rural service area licensing proceeding, the applicant shall provide cellular radiotelephone service to subscribers in accordance with sections 22.946 and 22.947 of the Commission's rules (47 CFR 22.946, 22.947); except that the time period applicable under

section 22.947 of the Commission's rules (or any successor rule) to the applicants identified in subparagraphs (A) and (B) of subsection (d)(1) shall be 3 years rather than 5 years and the waiver authority of the Commission shall apply to such 3-year period.

(3) CALCULATION OF LICENSE FEE.—

(A) FEE REQUIRED.—The Commission shall establish a fee for each of the licenses under the covered rural service area licensing proceeding. In determining the amount of the fee, the Commission shall consider—

(i) the average price paid per person served in the Commission's Cellular Unserved Auction (Auction No. 12); and

(ii) the settlement payments required to be paid by the permittees pursuant to the consent decree set forth in the Commission's order, *In re the Tellesis Partners* (7 FCC Rcd 3168 (1992)), multiplying such payments by two.

(B) NOTICE OF FEE.—Within 30 days after the date an applicant files the amended application permitted by subsection (a)(1)(B), the Commission shall notify each applicant of the fee established for the license associated with its application.

(4) PAYMENT FOR LICENSES.—No later than 18 months after the date that an applicant is granted a license, each applicant shall pay to the Commission the fee established pursuant to paragraph (3) for the license granted to the applicant under paragraph (1).

(5) AUCTION AUTHORITY.—If, after the amendment of an application pursuant to subsection (a)(1)(B), the Commission finds that the applicant is ineligible for grant of a license to provide cellular radiotelephone services for a rural service area or the applicant does not meet the requirements under paragraph (2) of this subsection, the Commission shall grant the license for which the applicant is the tentative selectee (pursuant to subsection (a)(1)(B) by competitive bidding pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)).

(c) PROHIBITION OF TRANSFER.—During the 5-year period that begins on the date that an applicant is granted any license pursuant to subsection (a), the Commission may not authorize the transfer or assignment of that license under section 310 of the Communications Act of 1934 (47 U.S.C. 310). Nothing in this Act may be construed to prohibit any applicant granted a license pursuant to subsection (a) from contracting with other licensees to improve cellular telephone service.

(d) DEFINITIONS.—For the purposes of this section, the following definitions shall apply:

(1) APPLICANT.—The term "applicant" means—

(A) Great Western Cellular Partners, a California general partnership chosen by the Commission as tentative selectee for RSA #492 on May 4, 1989;

(B) Monroe Telephone Services L.P., a Delaware limited partnership chosen by the Commission as tentative selectee for RSA #370 on August 24, 1989 (formerly Cellwave Telephone Services L.P.); and

(C) FutureWave General Partners L.P., a Delaware limited partnership chosen by the Commission as tentative selectee for RSA #615 on May 25, 1990.

(2) COMMISSION.—The term "Commission" means the Federal Communications Commission.

(3) COVERED RURAL SERVICE AREA LICENSING PROCEEDING.—The term "covered rural service area licensing proceeding" means the proceeding of the Commission for the grant of cellular radiotelephone licenses for rural service areas #492 (Minnesota 11), #370 (Florida 11), and #615 (Pennsylvania 4).

(4) TENTATIVE SELECTEE.—The term "tentative selectee" means a party that has been selected by the Commission under a licens-

ing proceeding for grant of a license, but has not yet been granted the license because the Commission has not yet determined whether the party is qualified under the Commission's rules for grant of the license.

SEC. 12. TECHNICAL AMENDMENT.

Section 339(c) of the Communications Act of 1934 (47 U.S.C. 339(c)) is amended by adding at the end the following new paragraph:

"(5) **DEFINITION.**—Notwithstanding subsection (d)(4), for purposes of paragraphs (2) and (4) of this subsection, the term 'satellite carrier' includes a distributor (as defined in section 119(d)(1) of title 17, United States Code), but only if the satellite distributor's relationship with the subscriber includes billing, collection, service activation, and service deactivation."

SEC. 13. DEFINITIONS.

In this Act:

(1) AFFILIATE.—The term "affiliate"—

(A) means any person or entity that controls, or is controlled by, or is under common control with, another person or entity; and

(B) may include any individual who is a director or senior management officer of an affiliate, a shareholder controlling more than 25 percent of the voting securities of an affiliate, or more than 25 percent of the ownership interest in an affiliate not organized in stock form.

(2) UNSERVED AREA.—The term "unserved area" means any area that—

(A) is outside the grade B contour (as determined using standards employed by the Federal Communications Commission) of the local television broadcast signals serving a particular designated market area; and

(B) does not have access to local television broadcast signals from any commercial, for-profit multichannel video provider.

(3) UNDERSERVED AREA.—The term "underserved area" means any area that—

(A) is outside the grade A contour (as determined using standards employed by the Federal Communications Commission) of the local television broadcast signals serving a particular designated market area; and

(B) has access to local television broadcast signals from not more than one commercial, for-profit multichannel video provider.

(4) COMMON TERMS.—Except as provided in paragraphs (1) through (4), any term used in this Act that is defined in the Communications Act of 1934 (47 U.S.C. 151 et seq.) has the meaning given that term in the Communications Act of 1934.

SEC. 14. AUTHORIZATIONS OF APPROPRIATIONS.

(a) COST OF LOAN GUARANTEES.—For the cost of the loans guaranteed under this Act, including the cost of modifying the loans, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there are authorized to be appropriated for fiscal years 2001 through 2006, such amounts as may be necessary.

(b) COST OF ADMINISTRATION.—There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, other than to cover costs under subsection (a).

(c) AVAILABILITY.—Any amounts appropriated pursuant to the authorizations of appropriations in subsections (a) and (b) shall remain available until expended.

SEC. 16. SUNSET.

No loan guarantee may be approved under this Act after December 31, 2006.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. GOODLATTE), the gentleman from Texas (Mr. STENHOLM), the gentleman from Louisiana (Mr. TAUZIN), and the gentleman from Massachusetts (Mr. MARKEY) each will control 15 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, like many of my colleagues here today, I represent a congressional district that is not near a large urban center. The largest city in my district, Roanoke, has a population of slightly more than 100,000 people. However, folks in cities as large as Roanoke, Virginia; Honolulu, Hawaii; and Springfield, Missouri, are unlikely to benefit from the most important parts of legislation enacted last fall known as the Satellite Home Viewer Act.

This legislation, which I served as a conferee on with many of my colleagues here today, was designed to address a problem experienced by thousands of Americans who are frustrated that they either could not receive their local network signal or had to receive a poor quality local network signal through a rooftop antenna rather than receive a network signal through their satellite provider. The bill addressed this by allowing direct broadcast satellite providers to immediately begin retransmitting local television broadcast signals into the broadcast station's area.

Consumers across the country expressed their support for this legislation and the availability of "local-into-local" technology. I know my office received thousands of letters and calls from constituents concerned about this issue. This new law allows satellite providers to become more effective competitors to cable operators who have been able to provide local over-the-air broadcast stations to their subscribers for years. It will also benefit American consumers in markets where local TV via satellite is made available by offering them full service digital television at an affordable price.

More importantly, these consumers will benefit from local news, weather reports, information such as natural disasters or community emergencies, local sports, politics and election information as well as other information that is vital to the integrity of communities across the country. Local TV via satellite is already available to satellite subscribers in America's 20 largest television markets. In these markets, DirecTV and Echostar, the existing satellite platform providers, have begun retransmission of affiliates of the ABC, CBS, NBC, and Fox broadcast networks. DirecTV and Echostar have also announced their intention to begin retransmission of local TV stations in an additional 20 or 30 television markets over the next 24 months.

Ultimately, the two existing satellite platform providers will provide local TV via satellite to households in most if not all of the 50 largest television markets in the United States. However, there are 211 television markets in the United States, and in excess of 100 million U.S. TV households. As this chart illustrates, the red dots indicate

cities that have been served effective January 31 of this year, and the yellow dots are announced or probable cities. The rest of the country, including 161 television markets, is not going to be served by the legislation we passed last fall.

Therefore, if matters are left solely to the initiative of the existing satellite platform providers, more than 50 percent of existing satellite subscribers, over 6 million households, will continue to be deprived of their local TV stations; more than 60 percent of existing commercial television stations, over 1,000, will not be available via satellite; and more than 30 million U.S. TV households will remain beyond the reach of local TV via satellite. Put another way, local TV via satellite will not be available in 27 States.

So while the law enacted last fall has eliminated the legal barriers to delivery of local TV via satellite, it alone will not assure delivery of local TV via satellite to the majority of local TV stations and satellite subscribers. For that reason I have joined with my colleagues in the House to introduce legislation that will assure that all Americans, not just those in the most profitable urban markets, did receive their local TV signals in a way that provides local information in a competitive environment for consumers.

This legislation represents a hard-fought compromise between versions reported by the House Agriculture and House Commerce Committees. I want to express my appreciation to members of both committees for their willingness to work together to reach this agreement. The substitute authorizes the administrator of the Rural Utilities Service, with the approval of the National Telecommunications and Information Administration, to administer loan guarantees not exceeding \$1.25 billion for providing local broadcast TV signals in unserved and underserved markets.

The loan guarantees will be approved by a board consisting of the Secretaries of Agriculture, Commerce and Treasury. The loan guarantee may not exceed 80 percent of a loan, and the board may not approve a loan guarantee for a project that is designed to serve primarily one or more of the top 40 markets. The substitute also includes restrictions on which lending institutions can qualify for loan guarantees. Under this compromise, the board should give priority consideration first to unserved areas, then to underserved areas.

Unserved areas are defined as areas outside Grade B where there is no access to local signals from a for-profit multichannel video provider. Underserved areas are defined as those areas outside Grade A where there is no more than one for-profit multichannel video provider. In addition, the compromise requires that the value of collateral provided by the applicant must be at least equal to the unpaid balance of the loan amount covered by the loan guar-

antee. The loan guarantee may not be used for the acquisition of spectrum and funds cannot be used by incumbent cable companies in their own franchise territories.

In addition, under the compromise, the system providing local signals shall not be required to carry in a market a greater number of local broadcast signals than the number of such signals that is carried by the cable system serving the largest number of subscribers in that market. This is different than the version of the legislation that I introduced which applied full must-carry rules to the program.

Mr. Speaker, legislation similar to this bill was sponsored by Senators GRAMM and BURNS and passed the Senate on March 30 by a vote of 97-0. I want to particularly thank Senator GRAMM and Senator BURNS for their help. Senator BURNS represents the State of Montana, a rural area that is vitally impacted by this legislation; and he is to be commended for his leadership in the Senate as is Senator GRAMM for his leadership in getting this, legislation passed through the United States Senate.

The bill is crucial for Americans in rural and smaller markets who rely on their local television stations for news, politics, weather, sports, and emergency information. Local television is often the only lifeline folks have in cases of natural disasters such as hurricanes, tornadoes, blizzards, earthquakes, or flooding. The bill's language to encourage the delivery of local television signals to these constituents in America will not only benefit consumers, it will save lives.

Mr. Speaker, in closing, I want to thank several individuals here, most importantly my colleague from my adjoining district in Virginia (Mr. BOUCHER) whose leadership both in the conference last year and getting us to this point in this legislative process today has been absolutely vital. He too has a district like mine that badly needs this legislation, but he too recognizes the importance of this to all of America. I also want to thank the gentleman from Louisiana (Mr. TAUZIN), the chairman of the subcommittee, who has been vitally important in crafting good legislation in the Committee on Commerce and his full committee chairman, the gentleman from Virginia (Mr. BLILEY), for their input. In the Committee on the Judiciary, the gentleman from North Carolina (Mr. COBLE) and the gentleman from Illinois (Mr. HYDE) have made a great contribution. And then the primary committee, the Committee on Agriculture, the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM), have also provided valuable support for this legislation. I thank them all.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of H.R. 3615. H.R. 3615 was introduced on Feb-

ruary 10, 2000, and was referred to three different committees, Judiciary, Commerce and Agriculture. The House Committee on Agriculture unanimously approved this bill on February 16. The Committee on Commerce approved their version on March 29. The Committee on the Judiciary was discharged from consideration on March 31. The legislation before us today is a compromise between the agriculture and commerce committees. The bill establishes a loan guarantee program within the United States Department of Agriculture Rural Utilities Service for the purpose of providing local broadcast television signals.

This bill under consideration today was originally included as a provision in the Satellite Home Viewer Improvement Act that was enacted last year. Unfortunately, these provisions were deleted from the final version of the bill. The Satellite Home Viewer Improvement Act permits satellite companies to retransmit local network signals back into its local market area and gives consumers greater access to network television stations by allowing satellite television companies to effectively compete with cable television providers.

Today's rural Americans do not benefit from the competition provided in the Satellite Home Viewer Improvement Act. DirecTV and Echostar, the U.S.'s only satellite television providers, will not offer local-into-local broadcast television service in rural television markets. The loan guarantee proposed by H.R. 3615 will make it technologically and financially feasible for entities to develop technologies that will bring local-into-local broadcast television service to smaller rural television markets.

I am pleased that cooperative lenders such as CoBank and the National Rural Utilities Cooperative Finance Corporation are eligible to participate in the loan guarantee program under section 4(d) of the bill. Their expertise, capacity, capital strength, and experience in providing financing to rural utility service borrowers should help to make this program a success. People living in rural areas need to have access to their local broadcasters' programming, local news, weather, sports, and, most importantly, emergency information services. Local television is one of our most vital safety information sources in times of natural disasters or other emergencies. This legislation promises to both improve consumer quality of life and more importantly save lives.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this bill and urge my colleagues to do so, too. Last year this Congress passed a bill that would enable satellite carriers to provide consumers with access to their local broadcast

signals, but there is a problem. It is because satellite carriers by their own admission have no capacity and no plans to offer this new local-into-local service to the Nation's smallest markets. They plan to offer them to the top 70 markets approximately, serving about 70 percent of American television households. That leaves out 30 percent of American households and well over 100 smaller markets.

Now, this bill will remedy that. The bill authorizes the Department of Agriculture to provide up to \$1.25 billion in loan guarantees, not loans, loan guarantees, to cable and satellite companies that plan to offer this local-into-local broadcast service to rural consumers across America. It is important to note that while local-into-local satellite technology is an important step, it is not the only technology that might be capable of achieving this objective. A variety of terrestrial services, for example, both wireless and wired can serve the same goal and hopefully will.

It is for this reason that in the Committee on Commerce, we worked to ensure that the bill was technologically neutral. We should not and we do not in this bill pick the winners and the losers. The bill is about enabling everyone the same opportunity to receive multichannel access to broadcast signals. From here on out, it is up to the marketplace to decide who wins and who loses.

Let me also say that on the Committee on Commerce my colleagues and I made a number of other changes to the bill that protect the interest of taxpayers here. For example, we designated an interagency board that will approve the loans under this program. We also capped the loans to 80 percent of the amount borrowed, so the guarantee is only up to 80 percent. We ensure that the American taxpayer's lien would be superior to any other lien that might be against the property of a borrower. On balance, this is indeed a bill worthy of my colleagues' support. It is balanced and fiscally responsible. I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this is a bill that has some good parts and some not so good parts. It does seek to advance the goal of ensuring that there is access to satellite-delivered local TV stations in every community in the United States.

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Without question, as it came out of committee, there were provisions that would have really hurt other competing companies, such as North Point, that have, thank goodness been removed. As well, the loans cannot be utilized to go bid at FCC auctions, and there are other provisions which ensure that the loans cannot be used for operating, advertising, or for promotional expenses. So there are some safeguards which have been built in here.

I think that the bill can be further protected. My hope is that between now and the conclusion of the conference committee, that we will be able to achieve the goal of ensuring that this bill advances solely competitive purposes, and is not used for any other purpose.

Mr. GOODLATTE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from North Carolina (Mr. COBLE).

Mr. COBLE. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, as many know, this was an important part of the legislation from last session concerning the Satellite Home Viewers Act. I believe the citizens in rural areas, particularly those in the Sixth District of North Carolina, deserve the same opportunities others have to be served by local broadcasters.

It is important to proliferate local stations serving local areas so all can receive their local news, local community service and particularly emergency weather updates for that area. To demonstrate how important this is, you only have to ask my fellow citizens from eastern North Carolina who were victimized by those tragic floods just last year. It is my hope that this legislation serves as a catalyst, Mr. Speaker, for accomplishing that goal.

It is my further hope that the Senate will take the bill and enact it. If it does not, any conference may be tempted to expand the reach of the current legislation.

I am glad the Committee on the Judiciary was able to assist in moving this bill quickly, and I reiterate the interest of the gentleman from Illinois (Chairman HYDE) in our participation in any such conference, but hope we can move it quickly into law.

Finally, Mr. Speaker, I think the gentleman from Virginia (Mr. BOUCHER) and the gentleman from Virginia (Mr. GOODLATTE) were the lead dogs, if you will, on this legislation. They were tireless in their efforts, and I commend them for that.

Mr. STENHOLM. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I live in rural America, and I represent a predominantly rural district. I also cochair the Congressional Rural Caucus. This is an issue that is critical to rural America, and, indeed, critical to all Americans.

It is essential that rural Americans not be treated as second-class citizens who are denied access to local television stations for news, weather, sports, and emergency information. Indeed, one need not look further than my own district in eastern North Carolina to see the critical role that local television news play when disasters such as hurricane, tornadoes, blizzards, earthquakes, or floods strike.

Last winter a fast-moving snowstorm with near-blizzard conditions left a

record snowfall of 23 inches in parts of my district. Last fall, three hurricanes and a subsequent 500-year flood left flood waters that covered nearly 20,000 square miles of North Carolina, a land mass greater than the size of the State of Maryland. It took weeks for the flood waters to recede, and disaster relief efforts are still going on to date.

Local news provides vital information on safety procedures, emergency shelter, location, and how to obtain assistance. In addition, local television broadcasts of crop reports, local news, weather reports, public service announcements, and advertisements by local business are important to rural development.

Let me repeat that rural citizens in North Carolina, in fact, rural citizens in America, should not be disadvantaged and must have access to the same network and local television service at the same affordable prices as citizens in urban and suburban areas.

The Rural Local Broadcast Signal Act established a \$1.2 billion loan guarantee to help finance satellite companies in unserved and underserved rural areas. It is clear that without this financial incentive of a loan guarantee program, many rural markets of the country would not have access to local television signals via satellite.

The economy of scale in rural areas has to be compensated because the private sector will not and cannot provide the expensive initial investment needed. A Federal loan guarantee program will enable affordable capital to be available to finance satellite systems for the delivery of local television signals. I am pleased that the committee saw fit to exclude a potentially damaging amendment that would have delayed the entire loan program for 90 days pending certain testing. Such an amendment would have been unnecessary and harmful.

I am also pleased that the cooperative lenders such as CoBank and the National Rural Utilities Cooperative Finance Corporation are eligible to participate in the loan guarantee program under section 4(d) of the bill. Their expertise, capacity, capital strength, and experience in providing financial assistance to rural utility service borrowers should be used and has been valuable in the past.

Mr. Speaker, I support the establishment of a loan guarantee program, and I urge all of our colleagues to support this very necessary legislation.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 2 minutes to my friend and mentor, the gentleman from New York (Mr. GILMAN).

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, permit me to take this opportunity to thank the gentleman from Louisiana (Mr. TAUZIN), the distinguished subcommittee chairman, and the gentleman from Virginia (Mr.

GOODLATTE) for bringing this measure to the floor at this time and permitting me to speak in support of this legislation.

H.R. 3615, the Rural Local Broadcast Signal Act, was introduced in response to the announcement by the major satellite carriers that, following enactment of the Satellite Home Viewer Act last fall, satellite carriers would be providing only newly authorized local network TV broadcast services in the largest markets, rather than the more rural areas. These satellite providers have stated it is not economically feasible to provide such service to our rural areas. Since many rural areas of our Nation are not served by broadcast TV or cable service, legislation is necessary to encourage the delivery of local network TV service to our rural Americans. This legislation amends the Rural Electrification Act of 1936 in order to provide local TV networks to rural satellite customers.

Mr. Speaker, the purpose of this bill is to ensure improved access of local TV signals into unserved or underserved rural areas by December 31, 2006. The bill is language to provide local TV signals to rural Americans, which will not only benefit consumers, but it can save lives.

Mr. Speaker, I thank the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Virginia (Mr. GOODLATTE) for introducing this important measure and affording me the opportunity to include my legislation, H.R. 1817, as a provision of the bill.

Accordingly, I urge our colleagues to fully support this important measure for all the rural communities throughout our Nation.

Mr. TAUZIN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BOUCHER), the "lead dog" on the Democratic side on this bill.

Mr. BOUCHER. Mr. Speaker, I thank my friend from Massachusetts for yielding me time.

Mr. Speaker, I rise in strong support of this measure in which I am pleased to join my colleague, the gentleman from Virginia (Mr. GOODLATTE), as principal cosponsor. The passage of this legislation is urgently needed. It offers the only opportunity for residents of medium-sized and small cities and virtually all of rural America to benefit from the new service that delivers local television signals to homes with satellite dishes.

Last year we enacted a new law which, for the first time, enabled satellite television companies to deliver to satellite dish owners local television signals in addition to the national programming that these companies have traditionally offered. That was the good news.

The somewhat less than good news is that those companies have decided that they can only make a profit by offering the new local into local service in the largest cities. Accordingly, medium-sized and small cities and rural portions of the Nation will not be served by the commercial companies.

Of the 211 local television markets in the Nation, at most 67 will receive the commercially provided local into local satellite television service. The bill that the gentleman from Virginia (Mr. GOODLATTE) and I have put forward is designed to fill the gap. Our intent is to create a means for every person who desires the service to have access to his local television stations delivered by satellite. Then, for the first time, there will be on a nationwide basis a truly viable competitive alternative to cable television. With the addition of the local TV service, satellite companies will be able to offer exactly the same programs, including local broadcast signals, that cable television has traditionally offered.

For the first time, cable rates will be set through a competitive market and will be restrained. For the first time, the residents of many rural regions, such as the mountainous portion of Virginia that the gentleman from Virginia (Mr. GOODLATTE) and I represent, who are blocked from the receipt of local TV signals because of mountainous terrain, will be able to view with a clear digital signal the local stations which are broadcast in their area.

We will achieve these goals by providing a Federal loan guarantee in the amount of \$1.25 billion through which a self-sustaining affordable service offering local TV signals by satellite can be launched on a nationwide basis. By this means, the residents of all 211 local television markets in the Nation will soon receive the new local into local satellite delivered television service.

I want to commend my friend and colleague from Virginia (Mr. GOODLATTE) for his leadership, as together we have structured this approach and brought the bill to the point of passage in the House today. It is a pleasure to work with the gentleman as we advance the interests of all rural Americans.

I also want to thank the chairmen and ranking members of the Committee on Commerce and the Committee on Agriculture for their excellent cooperation in bringing the measure to the floor. With the step that we are taking, we can assure that local news, sports, emergency announcements, weather reports, and community service programming that contribute to the broad popularity of local television broadcasts are available, not just in the largest cities, but in all television markets throughout the Nation.

Mr. Speaker, I am pleased to join with the gentleman from Virginia (Mr. GOODLATTE) and others who will speak in urging the approval of this measure by the House today.

AMENDMENT IN THE NATURE OF A SUBSTITUTE
OFFERED BY MR. GOODLATTE.

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute considered as adopted to H.R. 3615 under the order of the House of earlier today be the amendment in the nature of a

substitute that I have now placed at the desk, which shall be considered as read.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Virginia?

Mr. STENHOLM. Mr. Speaker, reserving the right to object, I do so for purposes of clarifying if the original colloquy that I had a moment ago still applies to the amendment in the nature of a substitute that you have placed at the desk?

Mr. GOODLATTE. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Virginia.

Mr. GOODLATTE. Mr. Speaker, the gentleman is correct.

Mr. STENHOLM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The text of the amendment in the nature of a substitute is as follows:

AMENDMENT IN THE NATURE OF A SUBSTITUTE
OFFERED BY MR. GOODLATTE

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Rural Local Broadcast Signal Act".

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Rural television loan guarantee board.
- Sec. 4. Approval of loan guarantees.
- Sec. 5. Administration of loan guarantees.
- Sec. 6. Prohibition on use of funds for spectrum auctions.
- Sec. 7. Prohibition on use of funds by incumbent cable operators.
- Sec. 8. Annual audit.
- Sec. 9. Exemption from must carry requirements.
- Sec. 10. Additional availability of broadcast signals in rural areas.
- Sec. 11. Improved cellular service in rural areas.
- Sec. 12. Technical amendment.
- Sec. 13. Definitions.
- Sec. 14. Authorizations of appropriations.
- Sec. 15. Sunset.

SEC. 2. PURPOSE.

The purpose of this Act is to facilitate access, on a technologically neutral basis and by December 31, 2006, to signals of local television stations for households located in unserved areas and underserved areas.

SEC. 3. RURAL TELEVISION LOAN GUARANTEE BOARD.

(a) **ESTABLISHMENT.**—There is established the Rural Television Loan Guarantee Board (in this Act referred to as the "Board").

(b) **MEMBERS.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Board shall consist of the following members:

(A) The Secretary of the Treasury, or the designee of the Secretary.

(B) The Secretary of Agriculture, or the designee of the Secretary.

(C) The Secretary of Commerce, or the designee of the Secretary.

(2) **REQUIREMENT AS TO DESIGNEES.**—An individual may not be designated a member of the Board under paragraph (1) unless the individual is an officer of the United States

pursuant to an appointment by the President, by and with the advice and consent of the Senate.

(C) FUNCTIONS OF THE BOARD.—

(1) IN GENERAL.—The Board shall determine whether or not to approve loan guarantees under this Act. The Board shall make such determinations consistent with the purpose of this Act and in accordance with this subsection and section 4 of this Act.

(2) CONSULTATION AUTHORIZED.—

(A) IN GENERAL.—In carrying out its functions under this Act, the Board shall consult with such departments and agencies of the Federal Government as the Board considers appropriate, including the Department of Commerce, the Department of Agriculture, the Department of the Treasury, the Department of Justice, the Department of the Interior, the Board of Governors of the Federal Reserve System, the Federal Communications Commission, the Federal Trade Commission, and the National Aeronautics and Space Administration.

(B) RESPONSE.—A department or agency consulted by the Board under subparagraph (A) shall provide the Board such expertise and assistance as the Board requires to carry out its functions under this Act.

(3) APPROVAL BY MAJORITY VOTE.—The determination of the Board to approve a loan guarantee under this Act shall be by a vote of a majority of the Board.

SEC. 4. APPROVAL OF LOAN GUARANTEES.

(a) AUTHORITY TO APPROVE LOAN GUARANTEES.—Subject to the provisions of this section and consistent with the purpose of this Act, the Board may approve loan guarantees under this Act.

(b) REGULATIONS.—

(1) REQUIREMENTS.—The Administrator (as defined in section 5 of this Act), under the direction of and for approval by the Board, shall prescribe regulations to implement the provisions of this Act and shall do so not later than 120 days after funds authorized to be appropriated under section 15 of this Act have been appropriated in a bill signed into law.

(2) ELEMENTS.—The regulations prescribed under paragraph (1) shall—

(A) set forth the form of any application to be submitted to the Board under this Act;

(B) set forth time periods for the review and consideration by the Board of applications to be submitted to the Board under this Act, and for any other action to be taken by the Board with respect to such applications;

(C) provide appropriate safeguards against the evasion of the provisions of this Act;

(D) set forth the circumstances in which an applicant, together with any affiliate of an applicant, shall be treated as an applicant for a loan guarantee under this Act;

(E) include requirements that appropriate parties submit to the Board any documents and assurances that are required for the administration of the provisions of this Act; and

(F) include such other provisions consistent with the purpose of this Act as the Board considers appropriate.

(3) CONSTRUCTION.—(A) Nothing in this Act shall be construed to prohibit the Board from requiring, to the extent and under circumstances considered appropriate by the Board, that affiliates of an applicant be subject to certain obligations of the applicant as a condition to the approval or maintenance of a loan guarantee under this Act.

(B) If any provision of this Act or the application of such provision to any person or entity or circumstance is held to be invalid by a court of competent jurisdiction, the remainder of this Act, or the application of such provision to such person or entity or

circumstance other than those as to which it is held invalid, shall not be affected thereby.

(c) AUTHORITY LIMITED BY APPROPRIATIONS ACTS.—The Board may approve loan guarantees under this Act only to the extent provided for in advance in appropriations Acts.

(d) REQUIREMENTS AND CRITERIA APPLICABLE TO APPROVAL.—

(1) IN GENERAL.—The Board shall utilize the underwriting criteria developed under subsection (g), and any relevant information provided by the departments and agencies with which the Board consults under section 3, to determine which loans may be eligible for a loan guarantee under this Act.

(2) PREREQUISITES.—In addition to meeting the underwriting criteria under paragraph (1), a loan may not be guaranteed under this Act unless—

(A) the loan is made to finance the acquisition, improvement, enhancement, construction, deployment, launch, or rehabilitation of the means by which local television broadcast signals will be delivered principally to an unserved area or an underserved area (or both);

(B) the proceeds of the loan will not be used for operating, advertising, or promotion expenses;

(C) the proposed project, as determined by the National Telecommunications and Information Administration, is not likely to have a substantial adverse impact on competition that outweighs the benefits of improving access to the signals of a local television station in an unserved area or an underserved area (or both), and is commercially viable;

(D)(i) the loan (including Other Debt, as defined in subsection (f)(2)(B))—

(I) is provided by any entity engaged in the business of commercial lending—

(aa) if the loan is made in accordance with loan-to-one-borrower and affiliate transaction restrictions to which the entity is subject under applicable law; or

(bb) if item (aa) does not apply, the loan is made only to a borrower that is not an affiliate of the entity and only if the amount of the loan and all outstanding loans by that entity to that borrower and any of its affiliates does not exceed 10 percent of the net equity of the entity; or

(II) is provided by a nonprofit corporation, including the National Rural Utilities Cooperative Finance Corporation, engaged primarily in commercial lending, if the Board determines that such nonprofit corporation has one or more issues of outstanding long-term debt that is rated within the highest 3 rating categories of a nationally recognized statistical rating organization, and, if the Board determines that the making of the loan by such nonprofit corporation will cause a decline in the debt rating mentioned above, the Board at its discretion may disapprove the loan guarantee on this basis;

(ii)(I) no loan (including Other Debt as defined in subsection (f)(2)(B)) may be made for purposes of this Act by a governmental entity or affiliate thereof, or by the Federal Agricultural Mortgage Corporation, or any institution supervised by the Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board, or any affiliate of such entities;

(II) any loan (including Other Debt as defined in subsection (f)(2)(B)) must have terms, in the judgment of the Board, that are consistent in material respects with the terms of similar obligations in the private capital market;

(III) for purposes of clause (i)(I)(bb), the term “net equity” means the value of the total assets of the entity, less the total liabilities of the entity, as recorded under generally accepted accounting principles for the fiscal quarter ended immediately prior to

the date on which the subject loan is approved; and

(E) repayment of the loan is required to be made within a term of the lesser of—

(i) 25 years from the date of the execution of the loan; or

(ii) the economically useful life, as determined by the Board or in consultation with persons or entities deemed appropriate by the Board, of the primary assets to be used in the delivery of the signals concerned; and

(F) the loan meets any additional criteria developed under subsection (g).

(3) PROTECTION OF UNITED STATES FINANCIAL INTERESTS.—The Board may not approve the guarantee of a loan under this Act unless—

(A) the Board has been given documentation, assurances, and access to information, persons, and entities necessary, as determined by the Board, to address issues relevant to the review of the loan by the Board for purposes of this Act; and

(B) the Board makes a determination in writing that—

(i) to the best of its knowledge upon due inquiry, the assets, facilities, or equipment covered by the loan will be utilized economically and efficiently;

(ii) the terms, conditions, security, and schedule and amount of repayments of principal and the payment of interest with respect to the loan protect the financial interests of the United States and are reasonable;

(iii) to the extent possible, the value of collateral provided by an applicant is at least equal to the unpaid balance of the loan amount covered by the loan guarantee (the “Amount” for purposes of this clause); and if the value of collateral provided by an applicant is less than the Amount, the additional required collateral is provided by any affiliate of the applicant; and if the combined value of collateral provided by an applicant and any affiliate is not at least equal to the Amount, the collateral from such affiliate represents all of such affiliate’s assets;

(iv) all necessary and required regulatory and other approvals, spectrum rights, and delivery permissions have been received for the loan, the project under the loan, and the Other Debt, if any, under subsection (f)(2)(B);

(v) the loan would not be available on reasonable terms and conditions without a loan guarantee under this Act; and

(vi) repayment of the loan can reasonably be expected.

(e) CONSIDERATIONS.—

(1) TYPE OF MARKET.—

(A) PRIORITY CONSIDERATIONS.—To the maximum extent practicable, the Board shall give priority in the approval of loan guarantees under this Act in the following order: First, to projects that will serve the greatest number of households in unserved areas and the number of States (including noncontiguous States); and second, to projects that will serve the greatest number of households in underserved areas. In each instance, the Board shall consider the project’s estimated cost per household to be served.

(B) PROHIBITION.—The Board may not approve a loan guarantee under this Act for a project that is designed primarily to serve 1 or more of the 40 most populated designated market areas (as that term is defined in section 122(j) of title 17, United States Code).

(2) OTHER CONSIDERATIONS.—The Board shall consider other factors, which shall include projects that would—

(A) offer a separate tier of local broadcast signals;

(B) provide lower projected costs to consumers of such separate tier; and

(C) enable the delivery of local broadcast signals consistent with the purpose of this Act by a means reasonably compatible with

existing systems or devices predominantly in use.

(f) **GUARANTEE LIMITS.**—

(1) **LIMITATION ON AGGREGATE VALUE OF LOANS.**—The aggregate value of all loans for which loan guarantees are issued under this Act (including the unguaranteed portion of loans issued under paragraph (2)(A)) and Other Debt under paragraph (2)(B) may not exceed \$1,250,000,000.

(2) **GUARANTEE LEVEL.**—A loan guarantee issued under this Act—

(A) may not exceed an amount equal to 80 percent of a loan meeting in its entirety the requirements of subsection (d)(2)(A). If only a portion of a loan meets the requirements of that subsection, the Board shall determine that percentage of the loan meeting such requirements (the “applicable portion”) and may issue a loan guarantee in an amount not exceeding 80 percent of the applicable portion; or

(B) may, as to a loan meeting in its entirety the requirements of subsection (d)(2)(A), cover the amount of such loan only if that loan is for an amount not exceeding 80 percent of the total debt financing for the project, and other debt financing (also meeting in its entirety the requirements of subsection (d)(2)(A)) from the same source for a total amount not less than 20 percent of the total debt financing for the project (“Other Debt”) has been approved.

(g) **UNDERWRITING CRITERIA.**—Within the period provided for under subsection (b)(1), the Board shall, in consultation with the Director of the Office of Management and Budget and an independent public accounting firm, develop underwriting criteria relating to the guarantee of loans that are consistent with the purpose of this Act, including appropriate collateral and cash flow levels for loans guaranteed under this Act, and such other matters as the Board considers appropriate.

(h) **CREDIT RISK PREMIUMS.**—

(1) **ESTABLISHMENT AND ACCEPTANCE.**—The Board may establish and approve the acceptance of credit risk premiums with respect to a loan guarantee under this Act in order to cover the cost, as determined under section 504(b)(1) of the Federal Credit Reform Act of 1990, of the loan guarantee. To the extent that appropriations of budget authority are insufficient to cover the cost, as so determined, of a loan guarantee under this Act, credit risk premiums shall be accepted from a non-Federal source under this subsection on behalf of the applicant for the loan guarantee.

(2) **CREDIT RISK PREMIUM AMOUNT.**—

(A) **IN GENERAL.**—The Board shall determine the amount of any credit risk premium to be accepted with respect to a loan guarantee under this Act on the basis of—

(i) the financial and economic circumstances of the applicant for the loan guarantee, including the amount of collateral offered;

(ii) the proposed schedule of loan disbursements;

(iii) the business plans of the applicant for providing service;

(iv) any financial commitment from a broadcast signal provider; and

(v) the concurrence of the Director of the Office of Management and Budget as to the amount of the credit risk premium.

(B) **PROPORTIONALITY.**—To the extent that appropriations of budget authority are sufficient to cover the cost, as determined under section 504(b)(1) of the Federal Credit Reform Act of 1990, of loan guarantees under this Act, the credit risk premium with respect to each loan guarantee shall be reduced proportionately.

(C) **PAYMENT OF PREMIUMS.**—Credit risk premiums under this subsection shall be paid

to an account (the “Escrow Account”) established in the Treasury which shall accrue interest and such interest shall be retained by the account, subject to subparagraph (D).

(D) **DEDUCTIONS FROM ESCROW ACCOUNT.**—If a default occurs with respect to any loan guaranteed under this Act and the default is not cured in accordance with the terms of the underlying loan or loan guarantee agreement, the Administrator, in accordance with subsections (h) and (i) of section 5 of this Act, shall liquidate, or shall cause to be liquidated, all assets collateralizing such loan as to which it has a lien or security interest. Any shortfall between the proceeds of the liquidation net of costs and expenses relating to the liquidation, and the guarantee amount paid pursuant to this Act shall be deducted from funds in the Escrow Account and credited to the Administrator for payment of such shortfall. At such time as determined under subsection (d)(2)(E) when all loans guaranteed under this Act have been repaid or otherwise satisfied in accordance with this Act and the regulations promulgated hereunder, remaining funds in the Escrow Account, if any, shall be refunded, on a pro rata basis, to applicants whose loans guaranteed under this Act were not in default, or where any default was cured in accordance with the terms of the underlying loan or loan guarantee agreement.

(i) **JUDICIAL REVIEW.**—The decision of the Board to approve or disapprove the making of a loan guarantee under this Act shall not be subject to judicial review.

SEC. 5. ADMINISTRATION OF LOAN GUARANTEES.

(a) **IN GENERAL.**—The Administrator of the Rural Utilities Service (in this Act referred to as the “Administrator”) shall issue and otherwise administer loan guarantees that have been approved by the Board in accordance with sections 3 and 4 of this Act.

(b) **SECURITY FOR PROTECTION OF UNITED STATES FINANCIAL INTERESTS.**—

(1) **TERMS AND CONDITIONS.**—An applicant shall agree to such terms and conditions as are satisfactory, in the judgment of the Board, to ensure that, as long as any principal or interest is due and payable on a loan guaranteed under this Act, the applicant—

(A) shall maintain assets, equipment, facilities, and operations on a continuing basis;

(B) shall not make any discretionary dividend payments that impair its ability to repay obligations guaranteed under this Act;

(C) shall remain sufficiently capitalized; and

(D) shall submit to, and cooperate fully with, any audit of the applicant under section 8(a)(2) of this Act.

(2) **COLLATERAL.**—

(A) **EXISTENCE OF ADEQUATE COLLATERAL.**—An applicant shall provide the Board such documentation as is necessary, in the judgment of the Board, to provide satisfactory evidence that appropriate and adequate collateral secures a loan guaranteed under this Act.

(B) **FORM OF COLLATERAL.**—Collateral required by subparagraph (A) shall consist solely of assets of the applicant, any affiliate of the applicant, or both (whichever the Board considers appropriate), including primary assets to be used in the delivery of signals for which the loan is guaranteed.

(C) **REVIEW OF VALUATION.**—The value of collateral securing a loan guaranteed under this Act may be reviewed by the Board, and may be adjusted downward by the Board if the Board reasonably believes such adjustment is appropriate.

(3) **LIEN ON INTERESTS IN ASSETS.**—Upon the Board's approval of a loan guarantee under this Act, the Administrator shall have liens on assets securing the loan, which shall be

superior to all other liens on such assets, and the value of the assets (based on a determination satisfactory to the Board) subject to the liens shall be at least equal to the unpaid balance of the loan amount covered by the loan guarantee, or that value approved by the Board under section 4(d)(3)(B)(iii) of this Act.

(4) **PERFECTED SECURITY INTEREST.**—With respect to a loan guaranteed under this Act, the Administrator and the lender shall have a perfected security interest in assets securing the loan that are fully sufficient to protect the financial interests of the United States and the lender.

(5) **INSURANCE.**—In accordance with practices in the private capital market, as determined by the Board, the applicant for a loan guarantee under this Act shall obtain, at its expense, insurance sufficient to protect the financial interests of the United States, as determined by the Board.

(c) **ASSIGNMENT OF LOAN GUARANTEES.**—The holder of a loan guarantee under this Act may assign the loan guaranteed under this Act in whole or in part, subject to such requirements as the Board may prescribe.

(d) **MODIFICATION.**—The Board may approve the modification of any term or condition of a loan guarantee or a loan guaranteed under this Act, including the rate of interest, time of payment of principal or interest, or security requirements only if—

(1) the modification is consistent with the financial interests of the United States;

(2) consent has been obtained from the parties to the loan agreement;

(3) the modification is consistent with the underwriting criteria developed under section 4(g) of this Act;

(4) the modification does not adversely affect the interest of the Federal Government in the assets or collateral of the applicant;

(5) the modification does not adversely affect the ability of the applicant to repay the loan; and

(6) the National Telecommunications and Information Administration has been consulted by the Board regarding the modification.

(e) **PERFORMANCE SCHEDULES.**—

(1) **PERFORMANCE SCHEDULES.**—An applicant for a loan guarantee under this Act for a project covered by section 4(e)(1) of this Act shall enter into stipulated performance schedules with the Administrator with respect to the signals to be provided through the project.

(2) **PENALTY.**—The Administrator may assess against and collect from an applicant described in paragraph (1) a penalty not to exceed 3 times the interest due on the guaranteed loan of the applicant under this Act if the applicant fails to meet its stipulated performance schedule under that paragraph.

(f) **COMPLIANCE.**—The Administrator, in cooperation with the Board and as the regulations of the Board may provide, shall enforce compliance by an applicant, and any other party to a loan guarantee for whose benefit assistance under this Act is intended, with the provisions of this Act, any regulations under this Act, and the terms and conditions of the loan guarantee, including through the submittal of such reports and documents as the Board may require in regulations prescribed by the Board and through regular periodic inspections and audits.

(g) **COMMERCIAL VALIDITY.**—A loan guarantee under this Act shall be incontestable—

(1) in the hands of an applicant on whose behalf the loan guarantee is made, unless the applicant engaged in fraud or misrepresentation in securing the loan guarantee; and

(2) as to any person or entity (or their respective successor in interest) who makes or contracts to make a loan to the applicant for

the loan guarantee in reliance thereon, unless such person or entity (or respective successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

(h) **DEFAULTS.**—The Board shall prescribe regulations governing defaults on loans guaranteed under this Act, including the administration of the payment of guaranteed amounts upon default.

(i) **RECOVERY OF PAYMENTS.**—

(1) **IN GENERAL.**—The Administrator shall be entitled to recover from an applicant for a loan guarantee under this Act the amount of any payment made to the holder of the guarantee with respect to the loan.

(2) **SUBROGATION.**—Upon making a payment described in paragraph (1), the Administrator shall be subrogated to all rights of the party to whom the payment is made with respect to the guarantee which was the basis for the payment.

(3) **DISPOSITION OF PROPERTY.**—

(A) **SALE OR DISPOSAL.**—The Administrator shall, in an orderly and efficient manner, sell or otherwise dispose of any property or other interests obtained under this Act in a manner that maximizes taxpayer return and is consistent with the financial interests of the United States.

(B) **MAINTENANCE.**—The Administrator shall maintain in a cost-effective and reasonable manner any property or other interests pending sale or disposal of such property or other interests under subparagraph (A).

(j) **ACTION AGAINST OBLIGOR.**—

(1) **AUTHORITY TO BRING CIVIL ACTION.**—The Administrator may bring a civil action in an appropriate district court of the United States in the name of the United States or of the holder of the obligation in the event of a default on a loan guaranteed under this Act. The holder of a loan guarantee shall make available to the Administrator all records and evidence necessary to prosecute the civil action.

(2) **FULLY SATISFYING OBLIGATIONS OWED THE UNITED STATES.**—The Administrator may accept property in satisfaction of any sums owed the United States as a result of a default on a loan guaranteed under this Act, but only to the extent that any cash accepted by the Administrator is not sufficient to satisfy fully the sums owed as a result of the default.

(k) **BREACH OF CONDITIONS.**—The Administrator shall commence a civil action in a court of appropriate jurisdiction to enjoin any activity which the Board finds is in violation of this Act, the regulations under this Act, or any conditions which were duly agreed to, and to secure any other appropriate relief, including relief against any affiliate of the applicant.

(l) **ATTACHMENT.**—No attachment or execution may be issued against the Administrator or any property in the control of the Administrator pursuant to this Act before the entry of a final judgment (as to which all rights of appeal have expired) by a Federal, State, or other court of competent jurisdiction against the Administrator in a proceeding for such action.

(m) **FEES.**—

(1) **APPLICATION FEE.**—The Board shall charge and collect from an applicant for a loan guarantee under this Act a fee to cover the cost of the Board in making necessary determinations and findings with respect to the loan guarantee application under this Act. The amount of the fee shall be reasonable.

(2) **LOAN GUARANTEE ORIGINATION FEE.**—The Board shall charge, and the Administrator may collect, a loan guarantee origination fee with respect to the issuance of a loan guarantee under this Act.

(3) **USE OF FEES COLLECTED.**—Any fee collected under this subsection shall be used to

offset administrative costs under this Act, including costs of the Board and of the Administrator.

(n) **REQUIREMENTS RELATING TO AFFILIATES.**—

(1) **INDEMNIFICATION.**—The United States shall be indemnified by any affiliate (acceptable to the Board) of an applicant for a loan guarantee under this Act for any losses that the United States incurs as a result of—

(A) a judgment against the applicant or any of its affiliates;

(B) any breach by the applicant or any of its affiliates of their obligations under the loan guarantee agreement;

(C) any violation of the provisions of this Act, and the regulations prescribed under this Act, by the applicant or any of its affiliates;

(D) any penalties incurred by the applicant or any of its affiliates for any reason, including violation of a stipulated performance schedule under subsection (e); and

(E) any other circumstances that the Board considers appropriate.

(2) **LIMITATION ON TRANSFER OF LOAN PROCEEDS.**—An applicant for a loan guarantee under this Act may not transfer any part of the proceeds of the loan to an affiliate.

(o) **EFFECT OF BANKRUPTCY.**—(1) Notwithstanding any other provision of law, whenever any person or entity is indebted to the United States as a result of any loan guarantee issued under this Act and such person or entity is insolvent or is a debtor in a case under title 11, United States Code, the debts due to the United States shall be satisfied first.

(2) A discharge in bankruptcy under title 11, United States Code, shall not release a person or entity from an obligation to the United States in connection with a loan guarantee under this Act.

SEC. 6. PROHIBITION ON USE OF FUNDS FOR SPECTRUM AUCTIONS.

Notwithstanding any other provision of this Act, no loan guarantee under this Act may be granted or used to provide funds for the acquisition of licenses for the use of spectrum in any competitive bidding under section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)).

SEC. 7. PROHIBITION ON USE OF FUNDS BY INCUMBENT CABLE OPERATORS.

Notwithstanding any other provision of this Act, no loan guarantee under this Act may be granted or used to provide funds for—

(1) the extension of any cable system to any area or areas for which the cable operator of such cable system has a cable franchise, if such franchise obligates the operator to extend such system to such area or areas; or

(2) the upgrading or enhancement of the services provided over any cable system, unless such upgrading or enhancement is principally undertaken to extend services to areas outside of the previously existing franchise area of the cable operator.

SEC. 8. ANNUAL AUDIT.

(a) **REQUIREMENT.**—The Comptroller General of the United States shall conduct on an annual basis an audit of—

(1) the administration of the provisions of this Act; and

(2) the financial position of each applicant who receives a loan guarantee under this Act, including the nature, amount, and purpose of investments made by the applicant.

(b) **REPORT.**—The Comptroller General shall submit to the Congress a report on each audit conducted under subsection (a).

SEC. 9. EXEMPTION FROM MUST CARRY REQUIREMENTS.

A facility of a satellite carrier, cable system, or other multichannel video program-

ming distributor that is financed with a loan guaranteed under this Act and that delivers local broadcast signals in a television market pursuant to the provisions of section 338, 614, or 615 of the Communications Act of 1934 (47 U.S.C. 338, 534, or 535) shall not be required to carry in such market a greater number of local broadcast signals than the number of such signals that is carried by the cable system serving the largest number of subscribers in such market.

SEC. 10. ADDITIONAL AVAILABILITY OF BROADCAST SIGNALS IN RURAL AREAS.

(a) **OPENING OF FILING FOR ADDITIONAL TRANSLATOR AND LOW-POWER STATIONS.**—The Federal Communications Commission shall, in accordance with its regulations, open a filing period window for the acceptance of applications for television translator stations and low-power television stations in rural areas.

(b) **DEADLINES FOR NOTICE.**—The Commission shall announce the filing period window no less than 90 days prior to the commencement of the window.

SEC. 11. IMPROVED CELLULAR SERVICE IN RURAL AREAS.

(a) **REINSTATEMENT OF APPLICANTS AS TENTATIVE SELECTEES.**—

(1) **IN GENERAL.**—Notwithstanding the order of the Federal Communications Commission in the proceeding described in paragraph (3), the Commission shall—

(A) reinstate each applicant as a tentative selectee under the covered rural service area licensing proceeding; and

(B) permit each applicant to amend its application, to the extent necessary to update factual information and to comply with the rules of the Commission, at any time before the Commission's final licensing action in the covered rural service area licensing proceeding.

(2) **EXEMPTION FROM PETITIONS TO DENY.**—For purposes of the amended applications filed pursuant to paragraph (1)(B), the provisions of section 309(d)(1) of the Communications Act of 1934 (47 U.S.C. 309(d)(1)) shall not apply.

(3) **PROCEEDING.**—The proceeding described in this paragraph is the proceeding of the Commission in re Applications of Cellwave Telephone Services L.P., Futurewave General Partners L.P., and Great Western Cellular Partners, 7 FCC Rcd No. 19 (1992).

(b) **CONTINUATION OF LICENSE PROCEEDING; FEE ASSESSMENT.**—

(1) **AWARD OF LICENSES.**—The Commission shall award licenses under the covered rural service area licensing proceeding within 90 days after the date of the enactment of this Act.

(2) **SERVICE REQUIREMENTS.**—The Commission shall provide that, as a condition of an applicant receiving a license pursuant to the covered rural service area licensing proceeding, the applicant shall provide cellular radiotelephone service to subscribers in accordance with sections 22.946 and 22.947 of the Commission's rules (47 CFR 22.946, 22.947); except that the time period applicable under section 22.947 of the Commission's rules (or any successor rule) to the applicants identified in subparagraphs (A) and (B) of subsection (d)(1) shall be 3 years rather than 5 years and the waiver authority of the Commission shall apply to such 3-year period.

(3) **CALCULATION OF LICENSE FEE.**—

(A) **FEE REQUIRED.**—The Commission shall establish a fee for each of the licenses under the covered rural service area licensing proceeding. In determining the amount of the fee, the Commission shall consider—

(i) the average price paid per person served in the Commission's Cellular Unserved Auction (Auction No. 12); and

(ii) the settlement payments required to be paid by the permittees pursuant to the consent decree set forth in the Commission's order, *In re the Tellesis Partners* (7 FCC Rcd 3168 (1992)), multiplying such payments by two.

(B) NOTICE OF FEE.—Within 30 days after the date an applicant files the amended application permitted by subsection (a)(1)(B), the Commission shall notify each applicant of the fee established for the license associated with its application.

(4) PAYMENT FOR LICENSES.—No later than 18 months after the date that an applicant is granted a license, each applicant shall pay to the Commission the fee established pursuant to paragraph (3) for the license granted to the applicant under paragraph (1).

(5) AUCTION AUTHORITY.—If, after the amendment of an application pursuant to subsection (a)(1)(B), the Commission finds that the applicant is ineligible for grant of a license to provide cellular radiotelephone services for a rural service area or the applicant does not meet the requirements under paragraph (2) of this subsection, the Commission shall grant the license for which the applicant is the tentative selectee (pursuant to subsection (a)(1)(B) by competitive bidding pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)).

(c) PROHIBITION OF TRANSFER.—During the 5-year period that begins on the date that an applicant is granted any license pursuant to subsection (a), the Commission may not authorize the transfer or assignment of that license under section 310 of the Communications Act of 1934 (47 U.S.C. 310). Nothing in this Act may be construed to prohibit any applicant granted a license pursuant to subsection (a) from contracting with other licensees to improve cellular telephone service.

(d) DEFINITIONS.—For the purposes of this section, the following definitions shall apply:

(1) APPLICANT.—The term "applicant" means—

(A) Great Western Cellular Partners, a California general partnership chosen by the Commission as tentative selectee for RSA #492 on May 4, 1989;

(B) Monroe Telephone Services L.P., a Delaware limited partnership chosen by the Commission as tentative selectee for RSA #370 on August 24, 1989 (formerly Cellwave Telephone Services L.P.); and

(C) FutureWave General Partners L.P., a Delaware limited partnership chosen by the Commission as tentative selectee for RSA #615 on May 25, 1990.

(2) COMMISSION.—The term "Commission" means the Federal Communications Commission.

(3) COVERED RURAL SERVICE AREA LICENSING PROCEEDING.—The term "covered rural service area licensing proceeding" means the proceeding of the Commission for the grant of cellular radiotelephone licenses for rural service areas #492 (Minnesota 11), #370 (Florida 11), and #615 (Pennsylvania 4).

(4) TENTATIVE SELECTEE.—The term "tentative selectee" means a party that has been selected by the Commission under a licensing proceeding for grant of a license, but has not yet been granted the license because the Commission has not yet determined whether the party is qualified under the Commission's rules for grant of the license.

SEC. 12. TECHNICAL AMENDMENT.

Section 339(c) of the Communications Act of 1934 (47 U.S.C. 339(c)) is amended by adding at the end the following new paragraph:

"(5) DEFINITION.—Notwithstanding subsection (d)(4), for purposes of paragraphs (2) and (4) of this subsection, the term 'satellite carrier' includes a distributor (as defined in section 119(d)(1) of title 17, United States

Code), but only if the satellite distributor's relationship with the subscriber includes billing, collection, service activation, and service deactivation."

SEC. 13. DEFINITIONS.

In this Act:

(1) AFFILIATE.—The term "affiliate"—

(A) means any person or entity that controls, or is controlled by, or is under common control with, another person or entity; and

(B) may include any individual who is a director or senior management officer of an affiliate, a shareholder controlling more than 25 percent of the voting securities of an affiliate, or more than 25 percent of the ownership interest in an affiliate not organized in stock form.

(2) UNSERVED AREA.—The term "unserved area" means any area that—

(A) is outside the grade B contour (as determined using standards employed by the Federal Communications Commission) of the local television broadcast signals serving a particular designated market area; and

(B) does not have access to local television broadcast signals from any commercial, for-profit multichannel video provider.

(3) UNDERSERVED AREA.—The term "underserved area" means any area that—

(A) is outside the grade A contour (as determined using standards employed by the Federal Communications Commission) of the local television broadcast signals serving a particular designated market area; and

(B) has access to local television broadcast signals from not more than one commercial, for-profit multichannel video provider.

(4) COMMON TERMS.—Except as provided in paragraphs (1) through (4), any term used in this Act that is defined in the Communications Act of 1934 (47 U.S.C. 151 et seq.) has the meaning given that term in the Communications Act of 1934.

SEC. 14. AUTHORIZATIONS OF APPROPRIATIONS.

(a) COST OF LOAN GUARANTEES.—For the cost of the loans guaranteed under this Act, including the cost of modifying the loans, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there are authorized to be appropriated for fiscal years 2001 through 2006, such amounts as may be necessary.

(b) COST OF ADMINISTRATION.—There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, other than to cover costs under subsection (a).

(c) AVAILABILITY.—Any amounts appropriated pursuant to the authorizations of appropriations in subsections (a) and (b) shall remain available until expended.

SEC. 16. SUNSET.

No loan guarantee may be approved under this Act after December 31, 2006.

Mr. GOODLATTE. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Mr. Speaker, I do want to commend my colleagues from Virginia for this work. A requirement on local broadcasters to obtain a license is to operate in the public interest. Emergency broadcasts and coverage is an example of their importance.

The great flood of 1993 is an example of local broadcasters covering emergencies, covering the levees, around the clock, notifying the public when levees broke so that lives could be saved.

In this new era of technology, last year we passed the Satellite Home

Viewers Act to ensure that local broadcasts occur in local areas through direct satellite. Dropped on the cutting room floor was an assistance needed to assure local into local reaches all Americans. Rural America cannot be left behind. I am proud to be a cosponsor, have worked for its passage on the committee, and speak in support of the passage of this bill.

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Mr. GOODLATTE. Mr. Speaker, I yield 1½ minutes to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, I thank the gentleman for yielding time to me, and also I want to recognize the gentleman for the great work that he did to bring this issue to the floor and for his leadership on the issue.

I am an original cosponsor of the Rural Local Broadcast Signal Act. This takes us one step closer to closing the digital divide. Nearly 55,000 households in my home State of South Dakota receive their programming from satellite dishes. Over the last 2 years, I have heard from 1,400 of my fellow South Dakotans on this issue.

At the end of the last session when the loan guarantees were stripped from the Satellite Home Viewers Improvement Act, many people were left without reliable access to quality local television. For many who live in rural areas, satellite service is the only option. Now we have a chance to correct that and provide every rural viewer the opportunity to receive a clear, reliable signal from his or her local station.

Like so many of my colleagues, my State is prone to natural disasters, tornadoes, hailstorms, blizzards, and flash floods. Local broadcasters are civic-minded and provide emergency information for emergency situations. South Dakotans rely on those broadcasters for important weather-related information as well.

Local broadcast signals can save lives. While local television may not save every life, it often provides the very precious few seconds that are necessary to grab our loved ones and take cover. We owe it to rural Americans to make sure that they have the same quality access to telecommunications as those in urban areas.

No one wants to watch a network signal with poor quality. With today's technological innovations, no one should have to. On behalf of the 150 South Dakotans who rely on satellite television, I urge the passage of this important legislation and quick consideration in the conference.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 3 minutes to my friend, the gentleman from Oklahoma (Mr. LARGENT).

Mr. LARGENT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, do not be fooled into thinking that this is not a controversial issue. This is. For those who are listening to the debate that we are having on the floor, it would seem that

this thing is going to just steamroll through, but do not think there is not controversy surrounding this particular issue.

Let me read a couple of headlines about this particular bill that we are working on today. Here is one from the Washington Times, an editorial: "Rural Rip-off." This is the bill we are voting on today, described as a "rural rip-off" in the Washington Times.

The Wall Street Journal says, "Rural Utilities Invest Funds in Markets Instead of Local Projects, Audit Says." These are the people who are going to be applying for this \$1.25 billion government subsidized loan guarantee.

In an editorial in the USA Today it is referred to as "The Taxpayer Rip-off in Progress." That is the bill we are discussing here this evening.

Let me read just a few of the comments in these articles. First of all, let me say that this is a program designed to give loan guarantees to people who do not need it to fund projects that are not needed.

We have heard a variety of speakers speak on the floor today and talk about, this is to provide local service. Not true. Local into local is the term. That is not true. The definition in the bill says that all these loans are available, as long as they do not have access to local television broadcast signals from not more than one commercial for-profit multi-channel video provider.

So if one already gets local into local through the cable service, these monies are still available to them, so they can have local into local that is providing the local weather, the local crop reports, and so forth, and still be eligible to receive this money.

What this is really about, and Members need to understand this, this is very important, what it really is about is providing government subsidies to create competition with the private sector. That may be an unintended consequence, but that definitely will be a consequence if this bill goes through, which I anticipate it will.

We will be subsidizing businesses with government loan guarantees so they can compete against people in the private sector. That should send a chill throughout Congress and the rest of the United States, that here we have the United States Congress getting ready to vote on a bill that provides \$1.25 billion of taxpayer loan guarantees to subsidize business to go out and compete with the private sector.

That is a problem. That is a real problem. All who own small businesses or own big businesses, how would they like the government jumping into their business, subsidizing some competition for them? That is not the intention, I do not believe, the Founders of the Constitution had. I do not think it is necessarily the intent of the authors of this bill, but it will be the unintended consequence of the bill.

I would urge my colleagues to vote no.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I rise in support of this legislation. As an original cosponsor of this bill, I know how important it is that everyone have access to their local TV stations. Locally-broadcast TV is most Americans' primary source of news, weather, and emergency information. But in my district and in rural areas across this country, many people cannot watch their own local stations. The hills and valleys in Santa Barbara and San Luis Obispo Counties preclude thousands of my constituents from receiving local TV over the air.

Some of my constituents do not have affordable access to cable, or they want a different choice. Many of them turn to satellite TV, but they could not get their local stations over the satellite.

So last year we passed legislation allowing so-called local into local broadcasting. But we knew then what we know now, most markets in the country will not be covered. Outside the top 40 media markets, local into local broadcasting is not going to happen because there is not enough money in it.

Citizens in places like the Central Coast of California still will not have access to their local stations through satellite TV, and local broadcasters still will not be able to get their signals to people who need them most, the folks in their own communities.

This is simply unfair to my constituents and to millions of other Americans in rural and underserved areas. The loan program that this bill sets up will help to bridge this gap, so I urge my colleagues to support this critically important bill. Our constituents in rural America deserve access to their local stations.

This bill is fair, this bill is just, it is worthy of our support.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. KIND).

Mr. STENHOLM. Mr. Speaker, I yield 1 additional minute to the gentleman from Wisconsin.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. KIND) is recognized for 2 minutes.

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, I thank the gentlemen for yielding time to me.

Mr. Speaker, I rise today as a strong supporter of H.R. 3615. I commend my colleagues on the compromise that they reached and worked out in this legislation, especially the two gentlemen from Virginia, the respective chairs and ranking members of the committees.

This legislation is vitally important for my constituents because it is vitally important to rural America. My congressional district is predominantly rural, with a population in the largest city of about 55,000 people.

Western Wisconsin has numerous small towns, villages, and individual farms nestled in the valleys of its roll-

ing hills and bluffs. Due to poor reception with normal antennas, many constituents purchase satellite dishes for television reception. Unfortunately, these local satellite dishes do not provide local television coverage.

Farmers in rural areas rely on their local news to provide weather forecasts, parents rely on local news to alert them to school closings, every constituent relies on local news to warn them of impending weather emergencies. In my district, access to local news through satellite television is not a luxury, it is oftentimes a matter of life and death.

Passage of the Home Satellite Viewers Act last year was a big step towards ensuring local access for my constituents who rely on satellite dishes. Unfortunately, it was incomplete. H.R. 3615 creates an 80 percent loan guaranty program that will help satellite or other technology companies build the infrastructure to guarantee local access to rural areas.

My colleagues in urban communities are already seeing local access because it is cost-effective to provide it in those areas. It is not, however, cost-effective in rural America. That is why this legislation here today is vitally important to the people I represent.

I urge passage of H.R. 3615.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Wyoming (Mrs. CUBIN).

Mrs. CUBIN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as an original cosponsor of the loan guarantee program, I am particularly pleased with the bill's fiscally responsible plan that will ensure that all consumers, specifically those in medium and small markets, will have access to local broadcast signals. The only cities that will enjoy local network broadcasting over their satellite systems under the current system will be those with millions of television households.

As we all know, the largest TV markets are currently enjoying local into local service over their satellite systems because of the hard work of the Committee on Commerce in passing the Satellite Home Viewers Act. The legislation before us today allows Congress to finish the job by providing that same service to rural Americans.

Wyoming is a perfect example of why we need to pass this legislation. The two largest TV markets in Wyoming are Cheyenne and Casper. They rank number 196 and 199, respectively. Even under the most optimistic local into local plans, Wyoming television viewers would probably never receive local into local service without the loan guarantee provision that is included in this bill.

I can only say that in lieu of mandating that satellite and cable providers serve rural areas, this is our only option. I am committed to moving this piece of legislation so that rural television customers can enjoy the same local television programming as our urban friends.

Mr. MARKEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I do believe that this bill, in its present form, has yet to reach its pluperfect form of acceptability. However, I think that for the time being, as it moves through this floor consideration, that it perhaps does merit the support of the Members.

However, just so that the Members can understand, this bill does not require some of the largest corporations in America to actually first have gone into the financial marketplace and established that they cannot obtain these loans from a commercial financial institution. Instead, what it does is it assumes that they cannot receive them.

One of the things that we I think should think about before we finally return from a conference with the Senate is whether or not we just might want to ensure that some of these huge corporations, if they can find the financing on their own, should not be able to avail themselves of publicly guaranteed funding, even if it would be at better interest rates than they could get in the free market.

I think that is something that we are going to have to consider, because these are some of the most well known corporations in America that we are putting this bill through to guarantee that they are going to be subsidized. In other words, we are not taking care of small farmers here, we are talking here about large multinationals.

That is something that I think at the end of the day we can find a resolution for; that we do not, in other words, reenact mistakes in the past where we wind up subsidizing those that do not need it and, unfortunately, in other bills that pass through this body, we wind up not giving any kind of help to those that are most in need in our country.

Hopefully, as the process evolves and as we seek to perfect this legislation through the conference committee, we will be able to achieve those ends.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from California (Mr. COX).

Mr. MARKEY. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from California (Mr. COX) is recognized for 4 minutes.

Mr. COX. Mr. Speaker, I thank both of my colleagues for yielding time to me.

Mr. Speaker, I share the goals of the sponsors of this legislation. The fundamental problem is simple: There are, according to the Congressional Budget Office, 3 million people in America who do not get over the air free television and who do not get cable, so they cannot get their local TV, 3 million people.

□ 1730

Now, until 1999, Congress made it illegal for satellite TV providers to put

local stations into the homes of those people. We fixed that with SHVA, with the Satellite Home Viewer Act, a short while ago; but there remains a catch. In order to deliver even one local station into a market, the satellite provider has to deliver all of the locally originated stations.

Now naturally, the satellite providers trying to make money are going to start with the big markets like Los Angeles and New York, and in my TV market of southern California, where Los Angeles dominates, there are so many locally originated TV stations, scores of them, that it fills up all the satellite capacity.

What we have essentially said, by way of Federal regulation, is that it is more important for people who live in big TV markets, in big cities, to get all of the locally-originated TV stations, even if they do not have any local content by the way, than it is for people who live in rural America to get just one. We are doing nothing about that unfair mandate in this bill.

Now, I want to draw the attention of my colleagues to the fact that the procedure that we are using to pass this bill today does not permit any amendments. In the Committee on Commerce, where we worked very hard on this issue, I offered an amendment that passed in subcommittee that would have addressed the very reason that rural America is not getting service from satellite TV today. We passed that amendment in subcommittee. We lost it in full committee. I would like to have brought it to the floor and directly address the problem that we are facing in America today, and that is not enough local TV for this group of 3 million people.

But instead of lifting that Federal mandate, which the satellite providers tell us would permit them to get 80 million more people, instead of doing that we are going to create a brand new Federal program. We are going to take one of the oldest, stodgiest, failing bureaucracies that we have in Washington, the former Rural Electrification Administration, which is on a covert mission now that we will not recognize it to change its name to the Rural Utilities Service, and get a new lease on life, we are going to give them a billion dollars to go help these 3 million people. We are going to put them in the business of trying to compete with for-profit satellite TV companies, and one of the two biggest in America still is not making money.

The Congressional Budget Office tells us that the Rural Utilities Service is writing off billions of dollars in their existing loan portfolio left and right, at taxpayer expense, and that about 30 to 40 percent of the loans that are going to get made under this program are likely to be written off. So one can look at the cost of this program right up front is about \$400 million.

The Rural Utilities Service, which we are putting in charge of this, does not know anything about which tech-

nology, which TV technology, to invest in. They may know something about agriculture. They are part of the Department of Agriculture. But they certainly do not know anything about which technology to bet on.

The loans that we are going to be providing have a term of 25 years. Does anybody in this Chamber understand what the digital information marketplace is going to look like 25 years from now? Would someone want to make a competitive bet to go into this market in competition with the Federal Government, with the Department of Agriculture, on their side? That is what we are doing in this legislation.

It is an extremely unlikely assumption that the Federal Government is going to make money in the satellite TV business, but one thing we know for sure nobody who lives in a rural area is going to get anything but pay TV under this proposal. Free, over-the-air TV, which the Government usually subsidizes, is not helped by this proposal.

I urge my colleagues to take a hard look at this, to ask why it is that it is being rushed through here without any opportunity to amend it; why we are giving a 70-year-old bureaucracy so much power, and I ask my colleagues to vote it down.

Mr. STENHOLM. Mr. Speaker, I yield 2 minutes to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Speaker, I just want to take a few minutes to thank the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Virginia (Mr. BOUCHER) and the chairpeople of the respective committees for the great work that they have done. I have heard what the gentleman from California (Mr. COX) has said and the gentleman from Oklahoma about the fact that this might not be the best means by which to give people who have no access to any kind of signal at all the opportunity to find out if they have emergency flooding, whether a tornado is coming, whether like where I live an earthquake is perhaps going to happen. I just cannot tell the folks in my district, which is very, very rural and very remote in some areas, that it is not fair that people who live in big cities can get access to their local news; they can get it, but you cannot have it because nobody wants to come and give it to you.

I do not know how to answer the thousands of questions that I have gotten about this without giving them the opportunity to have their local news provided by satellite, because they do not have any other way to get it, Mr. Speaker. So I would just ask my colleagues who come from more metropolitan areas to try to understand what it is like for those of us who represent people who not only do not have access to satellite and/or cable, certainly cannot get any local news because there are not any local news stations within 200 or 300 miles, but a lot of these people do not even have running water in

their homes. They deserve to have a break and they deserve to be on a level playing field with all of our folks in the cities, and I am just very happy that we are going to pass today, I hope, a bill to give all Americans an equal shake.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The Chair would remind Members that the gentleman from Virginia (Mr. GOODLATTE) has 2½ minutes remaining, the gentleman from Texas (Mr. STENHOLM) has 6½ minutes remaining, the gentleman from Louisiana (Mr. TAUZIN) has 3 minutes remaining, and the gentleman from Massachusetts (Mr. MARKEY) has 4 minutes remaining.

Mr. STENHOLM. Mr. Speaker, might I inquire what would be the order of closing.

The SPEAKER pro tempore. The order of close would be the gentleman from Massachusetts (Mr. MARKEY), the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Texas (Mr. STENHOLM), the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Speaker, I commend the chairmen of a number of committees that have had jurisdiction over this issue. I co-chair with the gentleman from Louisiana (Mr. TAUZIN) a task force on rural technology and have taken a long interest and a strongly held belief that if rural America is going to survive, it is going to be because we have equal access to technology and telecommunications.

One of the issues that has impacted the constituents of Kansas greatly is this issue of whether or not they can receive local programming, local-to-local programming, on their satellite networks. A typical constituent letter: We live in Madison. We are unable to receive network programming, ABC, CBS, NBC or Fox, with a rooftop antenna that would be suitable to watch. For 20 years we have received our programming through a satellite dish. We now get network coverage from cities like Denver, Chicago, Dallas, and New York; but here is the problem: We cannot even qualify to access local broadcasting because we are in a designated marketing area that is too close to have local television.

It matters to Kansans as a matter of public safety. Weather is important to us and agriculture, and I urge the passage of this bill and appreciate the consideration that our committees have given to this topic.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this satellite revolution is something that is changing the very face of the video marketplace in the United States. Back in 1992 when we passed the programming access provision, the gentleman from Louisiana (Mr. TAUZIN) and I and others were out here on the floor arguing that if we passed that that we would create a rev-

olution, create an 18-inch dish that one could buy and put out between the peninsulas and bring down hundreds of television stations; and through the years now we have seen this revolution change how suburban and urban America relate to their cable companies.

This legislation is directed towards the last remaining pocket of resistance, that is, rural America. It is meant to remedy a problem that we think that we dealt with last year when we made it possible for urban and suburban television stations to beam up their local TV stations and then beam them right back down into the same marketplace. That is more difficult in rural America.

It is wise for us to look at this digital divide to make sure that rural America is taken care of. At the same time, it is also important for us to make sure that we do not subsidize that which would ultimately happen anyway in the private marketplace, and that is a very delicate, very thin line for us to be walking. I support this legislation at this time, but I hope as we move it further through the process that we have the willingness to be open-minded in terms of ensuring that we build in the protections, that we do not subsidize those that do not need subsidization, that we do not help those to compete in the private market that could compete in the private market on their own.

That said, it is important for rural America not to be left out. An aye vote on this legislation at this time is, in fact, something that I recommend.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reason why the gentleman from Massachusetts (Mr. MARKEY) and I and so many others came to the floor in 1992 to try to create the capacity of direct broadcast satellite to bring television programming to America was because at the time we had just gotten through deregulating the cable companies. We in Congress had taken away the power of local franchising authorities to regulate the monopoly cable company. We thought it was pretty important if we were going to be responsible for taking away the power of local governments to regulate the monopoly cable company that we ought to make sure consumers in America had a competitive choice. That is what it was all about.

In 1992, we had to fight our way over a presidential veto to accomplish that goal, but we accomplished it. We created the capacity of television satellites to deliver satellite programming in competition with cable, but we left one thing undone, and that was the capacity of those satellites to include the local network programming in the package.

So guess what? Satellites were born; direct broadcast satellite came into being. But it was an imperfect competitor. So last year we tried to perfect that 1992 legislation by giving the satellites the right to carry the local net-

work programming in the package; in short, to give Americans a real choice.

Why? Because we had taken away the authority to regulate the monopoly. Well, guess what? In March of last year, all the authority to regulate from Washington monopoly cable ended. We allowed that to happen, but across America, outside of the 70 major markets that will be served by this new legislation last year, Americans will either have no multichannel delivery or will be afflicted with a single channel delivery system that is now unregulated.

We created, through this process of legislation, the possibility that many Americans will have only one choice for television programming. Today we cure that. Today we make sure that here in Washington we provide the loan guarantees, not the loans. We are not giving anybody a billion dollars. We are providing government-backed guarantees to make sure that the rest of America, in addition to the 70 major markets, the rest of America will have more than one choice.

Now that is the way we ought to behave. If we are going to take away power to regulate monopolies, we ought to always ensure that consumers have real choice because then consumers can regulate the companies by choosing which they want to reward with their money and which they want to punish by taking their business away.

With two providers in the marketplace, Americans will finally be protected. They will have choice and with choice will come fair prices. With choice will come fair packaging of products. With choice will come consumer regulation of the marketplace. I hope we pass this good bill.

Mr. STENHOLM. Mr. Speaker, I yield myself the remainder of my time.

The SPEAKER pro tempore. The gentleman is recognized for 6½ minutes.

Mr. STENHOLM. Mr. Speaker, I rise again in support of the bill and associate myself with the remarks of the gentleman from Louisiana (Mr. TAUZIN) regarding the intent and want to use this time to perhaps clarify a few points that have been made, I believe, erroneously through no intent.

□ 1745

There has been a lot of quoting of newspaper articles and various interpretations of an OIG report that wrongfully implied that electric cooperatives were holding \$11 billion in a portfolio consisting of financial instruments which was interpreted to mean stocks, bonds, and mutual funds.

There has also been an implying that the rural utility service has not been a good steward of taxpayer dollars. If my colleagues will check the record, they will find that the telecommunications program or the rural utility service has never incurred a default regarding loss of taxpayer funding. The electric distribution and water programs have incurred write-offs of less than 1 percent over their entire history of operation.

Let me just quickly talk about this \$11 billion in cash or assets that supposedly could be redirected and financed, in this case, telecommunications. \$2.5 billion of that is patronage capital. That is monies owned by the members of the cooperatives that are invested in the distribution and transmission lines that provide electricity and telephone service.

\$795 million are capital term certificates which form a pool of funds for long-term loans for cooperative lending. \$2.3 billion is in accounts receivable which are bills issued by cooperatives that are not yet paid by customers. \$2 billion of this \$11 billion is in operating capital. It is deemed a minimum prudent reserve level by utility accounting standards held by the distribution utilities. \$2.8 billion of this \$11 billion alleged dollars is in operating capital that is deemed a prudent reserve held by the power supply cooperatives.

These are just some of the investments that rural electric and rural telephone cooperatives have today. What are they doing with it? Nine hundred and thirty electric cooperatives have invested \$75 billion for 32,254 megawatts of generating capacity and 2,281,351 miles of line, which accounts for approximately half of the distribution lines in the United States.

I think it is grossly unfair of those who have been misinterpreting an OIG report for purposes of this particular bill. This bill is good in its intent. The rural utility service will continue to prudently manage taxpayer dollars, and the rural communities will be benefited, as has already been stated by this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, in addition to all of those I thanked earlier, and there are just too many to recite everyone, I want to also recognize the gentlewoman from North Carolina (Mrs. CLAYTON), the ranking member of my subcommittee; as well as the gentleman from Massachusetts (Mr. MARKEY); and the gentleman from Michigan (Mr. DINGELL), from the Committee on Commerce, for their assistance in helping get this legislation to this point.

But what I really want to do is thank the American people, because they are the ones who have driven this legislation more than anyone else. Many Members of Congress have received more mail, more phone calls, more e-mails on this issue than any other legislative issue in the time that they have served in Congress.

The reason is very simple. Look at the map. The red and yellow dots, they are going to get taken care of. The rest of the United States is not. Tulsa, Oklahoma is not going to get a local into local service without this legislation; Lexington, Kentucky; Roanoke and Lynchburg, Virginia, my commu-

nities in my district; Austin, Texas; Richmond, Virginia; Knoxville, Tennessee; Honolulu, Hawaii; Des Moines, Iowa; Green Bay, Wisconsin; Omaha, Nebraska; Spokane; Shreveport, Louisiana; New Orleans, Louisiana; Rochester; Tucson; Springfield, Missouri; Springfield, Massachusetts. The list goes on and on.

More than 160 television markets, more than 30 million households, nearly 75 million Americans, more than 1,000 television stations in those markets will not be served without the passage of this legislation. I urge my colleagues to join me in passing this bill.

Mr. BEREUTER. Mr. Speaker, this Member rises today in strong support of H.R. 3615, the Rural Local Broadcast Signal Act. This Member is pleased to be a co-sponsor of this important legislation, which will ensure improved access to local television signals in unserved or under-served rural areas.

Many rural families either cannot receive their local broadcast signals over the air, or are not offered cable service. It is important that we address this problem. Particularly in rural areas, local television broadcasts may be one of the few sources of emergency warnings and local news. In addition, local television provides weather, sports and special interest programming. Rural Americans, like their urban counterparts, need access to this important information.

Last year, the House passed the Satellite Home Viewer Improvement Act, which was ultimately signed into law. Satellite companies are now allowed to offer local network television signals to their subscribers. As a result of this bill, it is estimated that 70 percent of American households will eventually receive local broadcast signals. The remaining 30 percent of households, however, are found in sparsely populated areas, which will likely not be served under existing conditions. This legislation will ensure that these unserved or under-served areas are able to receive access to local television signals.

This bill authorizes the Rural Utilities Service (RUS) to provide loan guarantees to organizations for building or improving satellite, cable television and multi-channel video distribution infrastructure in under-served areas. The RUS will guarantee up to \$1.25 billion in loans to multi-channel video service providers, including direct broadcast satellite licensees. Under the RUS, up to 80 percent of a private loan may be guaranteed and loans will be payable in full within 25 years or the useful life of the assets purchased. This bill also provides standards to ensure that the loans will be promptly repaid and that the borrower has adequate collateral and insurance to protect the interests of the Federal government. Projects providing service to the most under-served market areas will be given priority for these loans.

In closing, this Member encourages his colleagues to support H.R. 3615. This bill ensures that all Americans, including those in rural areas, receive reliable access to their local broadcast stations.

Mr. LAFALCE. Mr. Speaker, today the House takes up a bill that, once again, handpicks a specific industry in our economy, the satellite television industry, to receive government assistance in the form of loan guarantees. While the bill before us today rep-

resents an improvement over the bill included in last year's Satellite Home Viewer Improvement Act conference report, and largely reflects the bill reported out by the Senate Banking Committee, and enacted by the full Senate unanimously, I rise today to express strong concerns with the process by which H.R. 3615 was brought to the House floor.

Last summer, I rose before this chamber, and was joined by the Chairman of the Banking Committee, to oppose another government give-away in the form of loan guarantees to the steel, oil, and gas industries. I opposed that bill then because of its substantive flaws, and because taxpayers were being placed at undue financial risk. I also opposed the steel, oil, and gas loan guarantee program because this House, in an open circumvention of its standing rules, brought the bill to the floor without having first given the committees of jurisdiction the right to review the legislation and to deliberate it on its merits. The advantage of having committees of Congress examine legislation with vast implications for our economy, the Federal government, and taxpayers is that it prevents us from enacting bad laws that help an industry in the short-term (sometimes unwisely) but ultimately harm the taxpayers in the long-run, who end up having to bear the costs of defaulted loans and unsound ventures.

Mr. Speaker, we cannot, and must not, allow this House to flagrantly circumvent its own rules at the expense of the taxpayers.

Rule X, Clause 1(d)(5) of the Rules of the House of Representatives stipulates that all bills, resolutions, and other matters related to "Financial aid to commerce and industry (other than transportation)" are under the jurisdiction of the Committee on Banking and Financial Services. On November 18, 1999, the Majority Leader of this House assured the gentleman from Virginia, Mr. BOUCHER, the chief Democratic sponsor of this measure, on the House floor that "It is my hope that the relevant committees of jurisdiction will engage in a full debate and discussion of the merits of this loan guarantee package and move appropriate legislation forward expeditiously." I regret to mention that H.R. 3615, which provides financial aid in the form of loan guarantees to satellite companies, was not referred to a very relevant committee of jurisdiction, the Banking Committee.

When H.R. 3615 was introduced on February 10th, 2000, its proponent argued successfully that the loan guarantee program being proposed fell strictly within the Rural Utilities Service of the U.S. Department of Agriculture and that, therefore, the bill should not be referred to the Banking Committee. While this is a technical and spurious argument, the bottom line is that the Congress is acting on legislation to provide financial aid to the satellite TV industry and the bill should have therefore been referred to the Committee with clear jurisdiction over these matters—the Banking Committee. I should remind my colleagues that it was the Banking Committee that historically has enacted successful, and strong loan guarantee programs that have been profitable to the U.S. government—such as those for the Chrysler Corporation, the City of New York, and the Lockheed Corporation.

Moreover, I should note that the Commerce Committee, unlike the Agriculture Committee, added a Board to the legislation in an effort to ensure the program's accountability to the taxpayers. That Board includes the Secretary of

the Treasury as a member. For those who mistakenly questioned the need to refer this bill to the Banking Committee because it was narrowly tailored for the USDA's Rural Utilities Service, the inclusion of the Secretary of the Treasury on the Board is reason enough for referral to the Banking Committee.

Mr. Speaker, the other chamber reported out a bill that was conceived in their Banking Committee. But in a truly ironic twist, and despite action by the House Agriculture and Commerce Committees on this bill, the bill we are considering today, with certain modifications made by the Commerce Committee on telecommunications matters strictly within their jurisdiction, is by-and-large the same product approved by the other chamber. While I am encouraged by this development, only because the substance of the Senate bill is an improvement over the originally introduced version of H.R. 3615, this House would have been better served by the advice, expertise, and input of its own Banking Committee.

Mr. Speaker, none of us disagree with the intent of this legislation—to make local TV signals available to rural areas via satellite. In principle, I strongly support the notion of bringing rural households the same information and access to telecommunications that urban residents currently enjoy. However, the Office of Management and Budget, which sets out requirements for Federal credit programs, continues to have specific concerns with certain provisions of both H.R. 3615 and S. 2097. Mr. Speaker, in order to protect the best interests of the taxpayers, and to provide important and meaningful input in the remainder of the process, I strongly urge inclusion of Members of the House Banking Committee on the conference committee so that our remaining concerns can be addressed.

Mr. MARKEY. Mr. Speaker, I rise in support of the bill. Mr. Speaker, the bill before us is an amalgamation of several provisions from the introduced bill, the bill reported by the Agriculture Committee and that of the Commerce Committee.

The bill includes a number of provisions that make eminent sense, such as prohibiting use of loans for operating, advertising or promotional expenses. Loans cannot be utilized to go bid at FCC auctions. Incumbent cable operators cannot obtain loans within their existing franchise areas. The bill also stipulates that the government guarantee may not exceed 80 percent of the loan amount. The bill on the floor today also does not contain language that would have disrupted plans for a promising new wireless technology pioneered by Northpoint technology. I think this deletion is a wise decision, reflects the desire of Congress that the FCC proceed consistent with provisions of last Fall's Satellite Home Viewer Act, and reflects as well the desire of Congress to promote ever more competition in our telecommunications marketplace provided that no harmful interference is caused to existing licenses.

Mr. Speaker, I rise in support of the bill despite some lingering concerns about this loan guarantee program. I support competition and increased consumer choice in telecommunications everywhere in America.

The bill before us proposes to establish a loan guarantee program, based upon the historic initiatives to provide rural America with electricity and telephone service, in order to provide subscription local-to-local television

service. I continue to have reservations that providing local-to-local service is something that warrants a loan guarantee program of the magnitude proposed in the bill.

I also believe the bill ought to have provisions that require large, financially healthy, profitable companies to go to the commercial capital markets first to try to obtain a loan without a government guarantee before coming hat-in-hand to the government seeking a taxpayer-backed subsidy.

Promoting competition to cable is a laudable goal for telecommunications policy. Subsidizing competition to cable is something else altogether, especially when you consider that we have spent years trying to get subsidies out of our telecommunications markets. My hope would be that in conference with the Senate that we can further fine tune this bill and make it more market-oriented and competition-based.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). All time for debate has expired.

Pursuant to the order of the House of today, the previous question is ordered on the bill, as amended.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COX. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 375, nays 37, not voting 22, as follows:

[Roll No. 128]

YEAS—375

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baca
Bachus
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggart
Bilbray
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner

Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chambliss
Clayton
Clement
Clyburn
Coble
Combest
Condit
Conyers
Costello
Coyne
Cramer

Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dozier
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing

Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Franks (NJ)
Frost
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchee
Hinojosa
Hobson
Hoefel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Lampson
Lantos
Larson
Latham
Lazio
Leach

Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
Ryan (WI)
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalfe
Mica
Millender-
McDonald
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Oliver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascarell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer

Rogan
Rogers
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Serrano
Sessions
Shaw
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skeltan
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Mink
Stabenow
Stenholm
Strickland
Stump
Stupak
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Towns
Traffant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)

NAYS—37

Archer
Armey
Capuano
Chabot
Chenoweth-Hage

Coburn
Collins
Cox
DeLay
DeMint

Doolittle
Duncan
Ehlers
Fossella
Frank (MA)

Frelinghuysen	Miller (FL)	Shadegg
Johnson, Sam	Miller, Gary	Shays
Kasich	Paul	Stearns
Kleczyka	Rohrabacher	Sununu
LaFalce	Royce	Toomey
Largent	Salmon	Wu
Linder	Sanford	
Manzullo	Sensenbrenner	

NOT VOTING—22

Baker	Gallegly	Quinn
Bliley	Ganske	Ros-Lehtinen
Borski	Houghton	Stark
Callahan	LaTourette	Vento
Clay	McInnis	Wexler
Cook	McIntosh	Young (FL)
Cooksey	Miller, George	
Doyle	Myrick	

□ 1810

Messrs. DELAY, KASICH and ARMEY changed their vote from "yea" to "nay."

Messrs. DAVIS of Illinois, GUTIERREZ, CROWLEY and HULSHOF changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. TANCREDI. Mr. Speaker, please let the RECORD reflect that on rollcall vote 128, it was my intention to vote "no." The vote, "yes," was recorded in error.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3615, the bill just considered.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Virginia?

There was no objection.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 1283

Mr. TALENT. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1283.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RADIO BROADCASTING
PRESERVATION ACT OF 2000

The SPEAKER pro tempore. Pursuant to the order of the House of today and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for consideration of the bill, H.R. 3439.

□ 1812

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3439) to prohibit the Federal Communications Commission from establishing rules

authorizing the operation of new, low power FM radio stations, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the order of the House, the bill is considered as having been read the first time.

The gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Michigan (Mr. DINGELL) each will control 30 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN).

□ 1815

Mr. TAUZIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take this moment to inform the House that I intend to make a formal request upon the Department of Justice regarding a potential criminal violation of our statutes to the extent that the FCC, through its director and associate director of their political office, has apparently transmitted faxes to Subcommittee on Telecommunications, Trade and Consumer Protection legislative assistants and legislative directors urging support or opposition to the bill that is before the House today, in direct contravention to 18 U.S.C., section 1913, which provides that no part of the monies appropriated by Congress shall in the absence of express authorization be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device intended or designed to influence any Member of the United States Congress.

Mr. Speaker, today the House considers H.R. 3439, the Radio Broadcasting Preservation Act. At the outset, let me commend the sponsor of this bill the gentleman from Ohio (Mr. OXLEY) for his work on this legislation. Credit is also due to the gentlewoman from New Mexico (Mrs. WILSON) and the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce, for their extraordinary work in presenting the bipartisan compromise legislation that is before us today.

This language passed our full Committee on Commerce by voice vote last month.

Mr. Speaker, this bill represents a true compromise. It allows for the FCC to proceed with plans to implement a low-power FM radio service to address the community needs of many localities.

The original legislation introduced in January, which gained the support of over 120 cosponsors, would have prevented the FCC from issuing any of these low-power FM licenses and would have effectively killed the FCC's low-power program altogether.

The language that the House considers today offers the FCC significantly more latitude than the original bill would have.

First and foremost, the bill allows the FCC to immediately begin issuing

licenses to low-power FM stations under the current interference standards used today to allocate spectrum on the FM dial. The FCC will thus be able to issue about 70 of these new licenses.

Furthermore, the bill institutes a pilot program to test the possible signal interference in nine geographic areas under the relaxed interference standards that the FCC recommends now.

Finally, and this is an important point, the bill maintains Congressional authority over any future changes made to the interference protections that exist in the FM dial today.

Let me take a minute to expand on this issue. The FCC has proceeded full steam ahead to implement this new service, even after learning about substantial concerns from both Republican and Democratic members of the Committee on Commerce.

We held a hearing to address these technical interference issues back in February. At that time, many members of our committee urged the Commission to proceed slowly with this program in order to carefully study the potential harmful effects on our Nation's airwaves. Without regard to these Congressional concerns, the Commission forged ahead and began implementing the program.

The bill correctly recognizes the need for Congressional oversight when it comes to such important issues as spectrum management. Before the FCC changes existing protections, protections that are as important to radio stations, public and commercial, as they are to radio listeners across America, I think it is imperative that Congress must have the authority to review any FCC changes over existing protections.

I will strongly oppose any amendment offered that would strip the Congress of its rightful oversight authority.

I trust the House will agree with me and recognize the tremendous movement that has been made in this compromise language to give the FCC authority to roll out low-power FM where there will be no interference and yet to do a pilot program before Congress gives it authority to indeed change its interference rules and allow further roll out of the program.

I urge my colleagues to vote in favor of the bill and against any amendments that would weaken it.

I want to point out again, Mr. Chairman, when the FCC uses money appropriated to it to lobby this Congress, my colleagues all ought to pay a lot of attention. It is a criminal violation, I believe, and I will ask the Department of Justice to investigate it. But when they go so far as to break the criminal laws of a country that prohibit this form of lobbying, we ought to really think about giving them authority to move forward before Congress says go forward on this important roll-out program.